

# ***VILLAGE OF CLINTON***

**SUMMIT COUNTY, OHIO**

**AUDIT REPORT**

**For the Years Ended December 31, 2015 and 2014**







# Dave Yost • Auditor of State

Village Council  
Village of Clinton  
7871 Main Street  
Clinton, OH 44216

We have reviewed the *Independent Auditor's Report* of the Village of Clinton, Summit County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2014 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

August 23, 2016

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VILLAGE OF CLINTON  
SUMMIT COUNTY

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**INDEPENDENT AUDITORS' REPORT**

Village of Clinton  
Summit County  
7871 Main Street  
Clinton, OH 44216

To the Village Council:

***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 the Village of Clinton, Summit County, (the Village) as of and for the years ended December 31, 2015 and 2014.

***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 Village'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 Village'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 opinions.

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

As described in Note 1 of the financial statements, the Village 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 Village 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 Village as of December 31, 2015 and 2014, 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 the Village of Clinton, Summit County as of December 31, 2015 and 2014, 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2016, on our consideration of the Village'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 Village's internal control over financial reporting and compliance.



***Charles E. Harris & Associates, Inc.***  
June 27, 2016

**Village of Clinton, Ohio**  
*Summit County*  
**Combined Statement of Cash Receipts, Cash Disbursements**  
*and Changes in Fund Cash Balances*  
**All Governmental Fund Types**  
*For the Year Ended December 31, 2015*

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$72,737	\$249,412	\$322,149
Municipal Income Tax	268,001	0	268,001
Intergovernmental	53,128	159,387	212,515
Charges for Services	0	25,037	25,037
Fines, Licenses and Permits	12,692	100	12,792
Miscellaneous	11,377	5,393	16,770
<i>Total Cash Receipts</i>	<u>417,935</u>	<u>439,329</u>	<u>857,264</u>
<b>Cash Disbursements</b>			
Current:			
Security of Persons and Property	84,873	297,651	382,524
Public Health Services	11,818	0	11,818
Leisure Time Activities	4,390	0	4,390
Community Environment	7,090	0	7,090
Transportation	0	282,370	282,370
General Government	111,296	0	111,296
Debt Service:			
Principal Retirement	0	22,386	22,386
Interest and Fiscal Charges	0	2,584	2,584
<i>Total Cash Disbursements</i>	<u>219,467</u>	<u>604,991</u>	<u>824,458</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>198,468</u>	<u>(165,662)</u>	<u>32,806</u>
<b>Other Financing Receipts (Disbursements)</b>			
Sale of Capital Assets	0	2,800	2,800
Transfers In	0	280,597	280,597
Transfers Out	(280,597)	0	(280,597)
Advances In	50,000	50,000	100,000
Advances Out	(50,000)	(50,000)	(100,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(280,597)</u>	<u>283,397</u>	<u>2,800</u>
<i>Net Change in Fund Cash Balances</i>	(82,129)	117,735	35,606
<i>Fund Cash Balances, January 1</i>	<u>365,049</u>	<u>505,110</u>	<u>870,159</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	0	611,163	611,163
Committed	16,099	11,652	27,751
Assigned	27,024	0	27,024
Unassigned	239,797	0	239,797
<i>Fund Cash Balances, December 31</i>	<u>\$282,920</u>	<u>\$622,815</u>	<u>\$905,735</u>

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

VILLAGE OF CLINTON  
SUMMIT COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN CASH FUND BALANCES  
AGENCY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015

<i>Fund Cash Balances, January 1</i>	<u>\$160</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$160</u></u>

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

**Village of Clinton, Ohio**  
*Summit County*  
**Combined Statement of Cash Receipts, Cash Disbursements**  
*and Changes in Fund Cash Balances*  
**All Governmental Fund Types**  
*For the Year Ended December 31, 2014*

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$76,534	\$241,260	\$317,794
Municipal Income Tax	268,710	0	268,710
Intergovernmental	86,146	121,018	207,164
Charges for Services	1,628	55,324	56,952
Fines, Licenses and Permits	12,687	0	12,687
Miscellaneous	10,680	14,540	25,220
<i>Total Cash Receipts</i>	<u>456,385</u>	<u>432,142</u>	<u>888,527</u>
<b>Cash Disbursements</b>			
Current:			
Security of Persons and Property	87,182	254,203	341,385
Public Health Services	7,497	0	7,497
Leisure Time Activities	3,000	0	3,000
Community Environment	8,848	1,160	10,008
Transportation	2,639	195,875	198,514
General Government	88,764	0	88,764
Debt Service:			
Principal Retirement	1,675	19,651	21,326
Interest and Fiscal Charges	0	3,231	3,231
<i>Total Cash Disbursements</i>	<u>199,605</u>	<u>474,120</u>	<u>673,725</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>256,780</u>	<u>(41,978)</u>	<u>214,802</u>
<b>Other Financing Receipts (Disbursements)</b>			
Transfers In	0	160,542	160,542
Transfers Out	(158,350)	(2,192)	(160,542)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(158,350)</u>	<u>158,350</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	98,430	116,372	214,802
<i>Fund Cash Balances, January 1</i>	<u>266,619</u>	<u>388,738</u>	<u>655,357</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	0	494,055	494,055
Committed	16,099	11,652	27,751
Assigned	4,996	0	4,996
Unassigned (Deficit)	343,954	(597)	343,357
<i>Fund Cash Balances, December 31</i>	<u>\$365,049</u>	<u>\$505,110</u>	<u>\$870,159</u>

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

VILLAGE OF CLINTON  
SUMMIT COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN CASH FUND BALANCES  
AGENCY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014

<i>Fund Cash Balances, January 1</i>	<u>\$160</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$160</u></u>

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

**VILLAGE OF CLINTON  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

**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 Village of Clinton, Summit County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides park operations (leisure time activities) and fire protection services (security of persons and property). The Village contracts with the City of New Franklin Police Department to provide police services (security of persons and property).

The Village participates in the Ohio Government Risk Management Plan public entity risk pool. Note 8 to the financial statements provide additional information for this entity.

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

**B. Accounting Basis**

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.

**C. Deposits and Investments**

The Village does not have investments. Deposits are held in a checking account.

**D. Fund Accounting**

The Village uses fund accounting to segregate cash that are restricted as to use. The Village 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 or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

**VILLAGE OF CLINTON  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)**

Fire/EMS Fund – This fund receives revenues including tax levies, charges for services fee, and grants and is used to account for expenditures for fire protection for the Village.

**3. Fiduciary Funds**

Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency fund accounts for park rental deposits and the issuance of refunds in accordance with Village ordinances.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**1. Appropriations**

Budgetary disbursements (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 Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

**2. 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.

**3. Encumbrances**

The Ohio Revised Code requires the Village 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 2015 and 2014 budgetary activity appears in Note 3.

**F. Fund Balance**

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

**1. Nonspendable**

The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

VILLAGE OF CLINTON  
SUMMIT COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)**

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.

3. **Committed**

Council can *commit* amounts via formal action (ordinance or resolution). The Village must adhere to these commitments unless the Council amends the ordinance or 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 Village Council or a Village official delegated that authority by ordinance or 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 Village 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 Village 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.

**VILLAGE OF CLINTON  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)**

**2. EQUITY IN POOLED DEPOSITS**

The Village 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:

	2015	2014
Demand deposits	\$905,895	\$870,319

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

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2015 and 2014 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$388,642	\$417,935	\$29,293
Special Revenue	688,581	722,726	34,145

2015 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$595,428	\$527,088	\$68,340
Special Revenue	754,532	654,336	100,196

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$356,195	\$456,385	\$100,190
Special Revenue	441,954	592,684	150,730

2014 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$408,014	\$362,951	\$45,063
Special Revenue	605,510	480,134	125,376

**VILLAGE OF CLINTON  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)**

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council 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 Village.

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

**5. LOCAL INCOME TAX**

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually. The tax is being collected and processed by the Regional Income Tax Authority (RITA).

**6. DEBT**

Debt outstanding at December 31, 2015 was as follows:

	Principal	Interest Rate
Bank Loan	\$48,022	3.65%

In 2013, the Village obtained a loan from The Apple Creek Banking Company bank related to the purchase of a 2013 International 7400 Truck with Snow and Ice Package. The loan was for \$112,000 with an interest rate of 3.65 percent. The loan will be repaid in monthly installments of \$2,046 beginning in April of 2013 and ending in April of 2018. Further, the Village paid an additional payment of \$5,954 at the beginning of the loan.

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

Year ending December 31:	Bank Loan
2016	\$ 24,542
2017	24,542
2018	2,853
Total	\$ 51,937

**VILLAGE OF CLINTON  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)**

**7. RETIREMENT SYSTEMS**

The Village's certified fire fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For January 1, 2014 to June 30, 2014, OP&F participants contributed 10.75% of their wages. For July 1, 2014 to June 30, 2015, OP&F participants contributed 11.50% of their wages. For July 1, 2015 to December 31, 2015, OP&F participants contributed 12.25% of their wages. For 2015 and 2014, the Village contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. For 2015 and 2014, OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2015.

**8. RISK MANAGEMENT**

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

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

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 41.5% (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. The Plan's property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 and 783 members as of December 31, 2013 and 2014 respectively.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

**VILLAGE OF CLINTON  
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014  
(Continued)**

**8. RISK MANAGEMENT – (continued)**

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2013 and 2014 (the latest information available).

	<b>2013</b>	<b>2014</b>
Assets	\$13,774,304	\$14,830,185
Liabilities	(7,968,395)	(8,942,504)
Members' Equity	\$5,805,909	\$5,887,681

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

**9. CONTINGENT LIABILITIES**

The Village is not defendant in any lawsuit.

**10. BUDGETARY NONCOMPLIANCE**

- Contrary to the Ohio Revised Code Section 5705.39 the Village had appropriations in excess of estimated resources in several funds in 2015 and 2014.
- Contrary to the Section 5705.36 (A)(1), the Village submitted their Official Certificate of Estimated Resources to the County Auditor, but included incorrect beginning balances for both years.

**11. INTERFUND TRANSFERS**

The Village had transfers during 2015 and 2014 that were to subsidize operations. In addition, the following transfer was made in 2014 to set aside money in a Special Revenue Fund. All interfund activity was made in accordance with the Ohio Revised Code.

	<u>Transfers From:</u>	<u>Transfers To:</u>
Fire / EMS Fund	\$ 2,192	
Accumulated Leave Fund - Fire		\$ 2,192

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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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**

Village of Clinton  
Summit County  
7871 Main Street  
Clinton, Ohio 44216

To the Village Council:

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 the Village of Clinton, Summit County (the Village) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements and have issued our report thereon dated June 27, 2016, wherein we noted the Village 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 Village'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 Village's internal control. Accordingly, we have not opined on it.

*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 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 Village'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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2015-003 to be a material weakness.

***Compliance and Other Matters***

As part of reasonably assuring whether the Village'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 2015-001 and 2015-002.

We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated June 27, 2016.

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

The Village's response to the findings identified in our audit is described in the accompanying schedule of findings. We did not audit the Village's response and, accordingly, we express no opinion on it.

***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 Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



***Charles E. Harris and Associates, Inc.***  
June 27, 2016

VILLAGE OF CLINTON  
SUMMIT COUNTY

Schedule of Findings  
December 31, 2015 and 2014

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

**Finding Number 2015-001 – Noncompliance**

Certification of Available Revenue

Ohio Rev. Code Section 5705.36 (A)(1) indicates on or about the first day of each fiscal year, the fiscal officers of subdivisions and other taxing units are to certify to the county fiscal officer the total amount from all sources available for expenditures from each fund in the tax budget along with any unencumbered balances existing at the end of the preceding year. Although, the Certificate of the Total Amount From All Sources Available for Expenditures, and Balances was filed with the Summit County Auditor for fiscal year 2015 and 2014, the beginning fund balances were incorrect.

The Village should ensure they file on or about the first day of the fiscal year an accurate Certificate of the Total Amount From All Sources Available for Expenditures, and Unencumbered Balances existing at the end of the preceding year.

Management's Response:

See response on page 17.

**Finding Number 2015-002 – Noncompliance**

Appropriations Exceeding Estimated Resources

Ohio Rev. Code Section 5705.39 requires that total appropriations from each fund not exceed total estimated fund resources from each fund as certified by the county budget commission. This section also provides that no appropriation measure shall become effective until the Village obtains the County Auditor's certificate that total appropriations from each fund do not exceed the total official estimate or amended official estimate when amending estimated resources.

At December 31, 2014, the following fund's total appropriations exceeded total estimated resources:

Special Revenue Funds:  
Street Construction Maintenance and Repair Fund (\$203,420)  
Summit/Akron Solid Waste Management Grant (\$597)

At December 31, 2015, the following fund total appropriations exceeded total estimated resources:

Special Revenue Fund:  
State Highway Fund (\$231)

The Fiscal Officer should monitor appropriations and estimated resources on a regular basis and make modifications accordingly.

Management's Response:

See response on page 17.

VILLAGE OF CLINTON  
SUMMIT COUNTY

Schedule of Findings – (continued)  
December 31, 2013 and 2012

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (continued)
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**Finding Number 2015-003 - Material Weakness**

Our testing revealed several instances where errors were made with respect to the posting and reporting of various transactions. The more significant misclassifications included the following:

- During 2014 and 2015, Special Revenue Street Construction Maintenance and Repair Fund debt principal and interest repayments were misclassified as Transportation rather than Debt Service: Further in 2014, one principal repayment was made from the General Fund and was misclassified as General Government rather than Debt Service.
- During 2015 and 2014, the Village misclassified the Fire Department 24/7 Account fund as special revenue with a restricted fund balance instead of general with an unassigned fund balance.
- During 2015 and 2014, the Village misclassified the Accumulated Leave Fund - Street as special revenue with a restricted fund balance instead of general with a committed fund balance.

The accompanying financial statements and the Village's records have been adjusted to properly reflect these transactions.

Sound financial reporting is the responsibility of the Village and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. We recommend the Village adopt policies and procedures to identify and correct errors and omissions in a timely manner. Management can use the UAN Handbook, the Village Officer's Handbook and other Auditor of State guidance to aid in properly identifying account classifications and fund balance classifications.

**Management's Response:**

Management will review their budgetary procedures and modify accordingly to avoid violations. Also, we will review all transactions more thoroughly when posting. We will utilize the Village Officers' Handbook, UAN and other Auditor of State guidance when posting.

VILLAGE OF CLINTON  
SUMMIT, OHIO

SCHEDULE OF PRIOR AUDIT FINDINGS  
December 31, 2015 and 2014

FINDING NUMBER	FUNDING SUMMARY	FULLY CORRECTED?	Not Corrected. Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2013-001	Noncompliance – Expenditures Exceeding Appropriations	Yes	No Longer Valid
2013-002	Noncompliance – Certification of Available Revenue	No	Not Corrected; Repeated as Finding 2015-001
2013-003	Noncompliance – Appropriations Exceeding Estimated Resources	No	Not Corrected; Repeated as Finding 2015-002
2013-004	Material Weakness - Financial Reporting: Various errors were noted in financial statements that required audit adjustments and reclassifications.	No	Not Corrected; Repeated as Finding 2015-003

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# Dave Yost • Auditor of State

VILLAGE OF CLINTON

SUMMIT 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  
SEPTEMBER 6, 2016