



OHIO AUDITOR OF STATE
KEITH FABER



BLENDON TOWNSHIP
FRANKLIN COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2020.....	3
Notes to the Financial Statements For the Year Ended December 31, 2020.....	4
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2019.....	15
Notes to the Financial Statements For the Year Ended December 31, 2019.....	16
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	27
Schedule of Findings.....	29
Prepared by Management:	
Summary Schedule of Prior Audit Findings	31

THIS PAGE INTENTIONALLY LEFT BLANK

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT AUDITOR'S REPORT

Blendon Township
Franklin County
6350 South Hempstead Road
Westerville, Ohio 43081

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental fund type combined total as of and for the year ended December 31, 2020 and for each governmental fund type as of and for the year ended December 31, 2019, and related notes of the Blendon Township, Franklin County, Ohio (the Township).

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(C) 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.

Efficient • Effective • Transparent

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(C), 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(C) 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, 2020 and 2019, and the respective changes in financial position thereof for the year 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 for each governmental fund type combined total as of and for the year ended December 31, 2020 and for each governmental fund type as of and for the year ended December 31, 2019, and related notes of the Township, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) 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 May 19, 2022, 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

May 19, 2022

Blendon Township
Franklin County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2020

	General	Special Revenue	Debt Service	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$76,707	\$4,919,610	\$25,579	\$5,021,896
Licenses, Permits and Fees	70,521	228,357	-	298,878
Fines and Forfeitures	13,849	-	-	13,849
Intergovernmental	1,859,669	1,287,861	3,135	3,150,665
Special Assessments	-	54,502	-	54,502
Earnings on Investments	88,070	6,084	-	94,154
Miscellaneous	158,974	285,126	-	444,100
<i>Total Cash Receipts</i>	<u>2,267,790</u>	<u>6,781,540</u>	<u>28,714</u>	<u>9,078,044</u>
Cash Disbursements				
Current:				
General Government	1,329,213	341,205	-	1,670,418
Public Safety	58,686	4,911,607	-	4,970,293
Public Works	-	629,217	-	629,217
Health	-	192,708	-	192,708
Other	255,981	-	-	255,981
Debt Service:				
Principal Retirement	-	-	275,000	275,000
Interest and Fiscal Charges	-	-	174,025	174,025
<i>Total Cash Disbursements</i>	<u>1,643,880</u>	<u>6,074,737</u>	<u>449,025</u>	<u>8,167,642</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>623,910</u>	<u>706,803</u>	<u>(420,311)</u>	<u>910,402</u>
Other Financing Receipts (Disbursements)				
Transfers In		35,000	419,750	454,750
Transfers Out	(454,750)			(454,750)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(454,750)</u>	<u>35,000</u>	<u>419,750</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	169,160	741,803	(561)	910,402
<i>Fund Cash Balances, January 1</i>	<u>4,182,597</u>	<u>3,670,714</u>	<u>74,201</u>	<u>7,927,512</u>
<i>Fund Cash Balances, December 31</i>	<u>\$4,351,757</u>	<u>\$4,412,517</u>	<u>\$73,640</u>	<u>\$8,837,914</u>

See accompanying notes to the basic financial statements

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Blendon Township, Franklin 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, police protection, and cemetery maintenance. The Township contracts with the City of Westerville to provide ambulance and fire protection services.

The Township participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity. This organization is the Ohio Township Association Risk Management Authority (OTARMA). OTARMA is a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Township participates in two jointly governed organizations. Note 10 to the financial statements provides additional information for these entities. These organizations are:

Blendon-Westerville Joint Economic Development Zone (JEDZ) – the Township Trustees approved the formation of this JEDZ with the City of Westerville in November of 2012. The parties have entered into a contract to create and provide for the operation of the JEDZ in accordance with Sections 715.691 of the Ohio Revised Code. See Note 10 for further information.

Blendon-Westerville Cooperative Economic Development Agreement (CEDA) – the Township Trustees approved an agreement with the City of Westerville to cooperate in creating and preserving jobs and employment opportunities and to cooperate in including and fostering economic development. See Note 10 for further information.

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, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are organized on a fund type basis.

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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:

Police District Fund – This fund receives property tax money to pay for police services.

Fire Levy Fund – This fund receives property tax money to pay for providing fire protection to Township residents.

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 Funds:

Bond Fund – This fund accounts for proceeds received on Various Purpose Bonds issued by Township for capital improvements made in the Township and the respective retirement of these Bonds over 30 years.

Bond Fire Fund – This fund accounts for tax monies the Township accumulates for payment to the City of Westerville for the Township’s portion of the new fire station.

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 expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

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

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

Appropriations

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

Estimated Resources

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

Encumbrances

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

A summary of 2020 budgetary activity appears in Note 3.

Deposits and Investments

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

The Township values U.S. Treasury Notes and common stock at cost [or fair value when donated]. Money market mutual funds are recorded at share values the mutual funds report.

Capital Assets

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

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

Fund Balance

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

Nonspendable: The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

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

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

Assigned: Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. 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.

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,232,571	\$2,267,790	\$35,219
Special Revenue	7,040,267	6,816,540	(223,727)
Debt Service	430,173	448,464	18,291
Total	\$9,703,011	\$9,532,794	(\$170,217)

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,299,479	\$2,272,803	\$1,026,676
Special Revenue	7,746,218	6,085,114	1,661,104
Debt Service	452,345	449,025	3,320
Total	\$11,498,042	\$8,806,942	\$2,691,100

Note 4 – Deposits and Investments

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

	2020
Demand deposits	\$2,961,148
Certificates of deposit	2,468,000
Total deposits	5,429,148
Money Market	
Total investments	3,408,766
Total deposits and investments	\$8,837,914

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Township.

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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 at cost (or fair value when donated). Money market mutual funds are recorded at share values the mutual funds report.

Note 5 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

Note 6 – Risk Management

Workers' Compensation

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

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

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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 (local entity's) policy. The Pool covers the following risks:

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

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

	<u>2020</u>
Cash and investments	\$ 36,348,066
Actuarial liabilities	\$ 10,894,146

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. OPERS – Law Enforcement members 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, 2020.

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

Note 8 – Postemployment Benefits

OPERS offers 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 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2020.

Note 9 – Debt

Debt outstanding at December 31, 2020 was as follows:

On November 16, 2016, the Township issued \$5,505,000 of Various Purpose Bonds. The Bonds through a negotiated sale were purchased by Fifth Third Securities, Inc. at a combined true interest cost of 2.86% for the purpose of:

Paying the costs of improving the Township cemetery by repairing and replacing the existing roadways by grading, paving and installing drainage and landscaping.

Paying the costs of improving the Township’s public safety services by acquiring and equipping two police cruisers.

Along with other available monies, retiring the Township’s outstanding \$5,280,000 Various Purpose Notes, Series 2016, dated February 9, 2016 and maturing February 9, 2017 originally issued for the purposes of paying the costs of improving the Township’s roadway infrastructure, the Township’s complex and the Township’s park facilities.

Amortization of the debt, including interest is as follows:

Year Ending December 31:	
2021	426,000
2022	410,800
2023	405,800
2024	400,800
2025	405,800
2026 – 2039	<u>4,242,800</u>
Total	<u>\$6,292,000</u>

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

The Township levied tax monies to be remitted to the City of Westerville as the Township's portion of the fire station improvements. The Township receives tax monies which are then remitted to the City of Westerville has principal and interest payments recorded in the Debt Service Fund. In 2012, the Township refinanced their outstanding debt that included their interest rate decreasing from 5.5% to 3.3% annually. The payments are due in semi-annual installments of varying amounts through 2023.

	Principal	Interest Rate
City of Westerville	80,000	3.30%
Total	\$80,000	

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

	City of Westerville
Year ending December 31:	
2021	28,650
2022	27,650
2023	31,500
Total	\$87,800

Note 10 - JOINT VENTURES

Blendon-Westerville Joint Economic Development Zone (JEDZ) - this JEDZ was created to facilitate new or expanded growth for commercial and economic development within the JEDZ and the State for the benefit of the City of Westerville, the Township, and the State, and their residents. A Board of Directors has been established, which includes three members appointed by the Township and three members appointed by the City of Westerville. The Board shall adopt bylaws and procedures for the regulations of the affairs of the Board and the conduct of business of the Board consistent with the Contract including the election of Board officers, the holdings and conducting of regular and special meetings, the appropriations procedures to provide for payment of the expenses of the JEDZ and distribution of income tax revenues pursuant to the Contract, and the purchasing of goods and services and the making of capital improvements. The fiscal year shall be the calendar year. The Board shall adopt an annual budget for the JEDZ.

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

Blendon-Westerville Cooperative Economic Development Agreement (CEDA) – The CEDA agreement addresses the issues of annexation, road maintenance, fire and emergency service, and joint planning in the CEDA area, which includes the Township. The CEDA also provides for the sharing of income tax on any new businesses locating in the agreement area.

Note 11 - Transfers

The Township made transfers totaling \$454,750 from the General Fund to provide additional support to the Road & Bridge Fund (\$20,000), Lighting Assessment Fund (\$15,000), and Bond Retirement Fund (\$419,750).

Note 12 – Contingent Liabilities

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

Note 13 – Fund Balances

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

Fund Balances	General	Special Revenue	Debt Service	Capital Projects	Permanent	Total
Nonspendable:						
Unclaimed Monies	\$1,906					\$1,906
Corpus						0
Outstanding Encumbrances	174,173	10,377				184,549
Total	\$176,079	\$10,377	\$0	\$0	\$0	\$186,456

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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

Note 14 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The Township's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Township received CARES Act funding. Of the amounts received, \$0.00 was returned to the granting agency, and \$570,618.45 was spent. These amounts are reflected as general government expenditures in the Coronavirus Relief Special Revenue Fund on the accompanying financial statements.

During 2020, the Township received \$839,728.37 as an on-behalf of grant from another government. These amounts are recorded in the Coronavirus Relief Special Revenue Fund.

Note 15 – Subsequent Events

On December 8, 2021, the Township issued \$10,000,000 of Capital Facilities Improvement Bond Anticipation Notes with an interest rate of 1.0% for the purpose of purchasing and renovating a building to house the Township's administrative facilities.

Blendon Township
Franklin County, Ohio
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2019

	General	Special Revenue	Debt Service	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$83,369	\$4,418,405	\$25,161	\$4,526,935
Charges for Services	117,777	10,790	-	128,567
Licenses, Permits and Fees	37,132	124,486	-	161,618
Fines and Forfeitures	26,453	-	-	26,453
Intergovernmental	1,951,628	458,919	3,170	2,413,717
Special Assessments	-	24,064	-	24,064
Earnings on Investments	105,310	6,308	-	111,618
Miscellaneous	85,397	245,784	-	331,181
<i>Total Cash Receipts</i>	<u>2,407,066</u>	<u>5,288,756</u>	<u>28,331</u>	<u>7,724,153</u>
Cash Disbursements				
Current:				
General Government	1,345,452	-	-	1,345,452
Public Safety	203,415	4,140,976	-	4,344,391
Public Works	55,264	868,987	-	924,251
Health	25,064	234,177	-	259,241
Human Services	246,949	-	-	246,949
Capital Outlay	151,025	207,518	-	358,543
Debt Service:				
Principal Retirement	-	-	270,000	270,000
Interest and Fiscal Charges	-	-	178,263	178,263
<i>Total Cash Disbursements</i>	<u>2,027,169</u>	<u>5,451,658</u>	<u>448,263</u>	<u>7,927,090</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>379,897</u>	<u>(162,902)</u>	<u>(419,932)</u>	<u>(202,937)</u>
Other Financing Receipts (Disbursements)				
Transfers In	-	225,000	125,000	350,000
Transfers Out	(350,000)	-	-	(350,000)
Other Financing Sources	12,712	-	-	12,712
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(337,288)</u>	<u>225,000</u>	<u>125,000</u>	<u>12,712</u>
<i>Net Change in Fund Cash Balances</i>	42,609	62,098	(294,932)	(190,225)
<i>Fund Cash Balances, January 1</i>	<u>4,139,988</u>	<u>3,608,616</u>	<u>369,133</u>	<u>8,117,737</u>
Fund Cash Balances, December 31				
Restricted		3,670,714	74,201	3,744,915
Assigned	1,030,083			1,030,083
Unassigned (Deficit)	<u>3,152,514</u>			<u>3,152,514</u>
<i>Fund Cash Balances, December 31</i>	<u>\$4,182,597</u>	<u>\$3,670,714</u>	<u>\$74,201</u>	<u>\$7,927,512</u>

See accompanying notes to the basic financial statements

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Blendon Township, Franklin 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, police protection, and cemetery maintenance. The Township contracts with the City of Westerville to provide ambulance and fire protection services.

The Township participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity. This organization is the Ohio Township Association Risk Management Authority (OTARMA). OTARMA is a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Township participates in two jointly governed organizations. Note 10 to the financial statements provides additional information for these entities. These organizations are:

Blendon-Westerville Joint Economic Development Zone (JEDZ) – the Township Trustees approved the formation of this JEDZ with the City of Westerville in November of 2012. The parties have entered into a contract to create and provide for the operation of the JEDZ in accordance with Sections 715.691 of the Ohio Revised Code. See Note 10 for further information.

Blendon-Westerville Cooperative Economic Development Agreement (CEDA) – the Township Trustees approved an agreement with the City of Westerville to cooperate in creating and preserving jobs and employment opportunities and to cooperate in including and fostering economic development. See Note 10 for further information.

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, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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:

Police District Fund – This fund receives property tax money to pay for police services.

Fire Levy Fund – This fund receives property tax money to pay for providing fire protection to Township residents.

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 Funds:

Bond Fund – This fund accounts for proceeds received on Various Purpose Bonds issued by Township for capital improvements made in the Township and the respective retirement of these Bonds over 30 years.

Bond Fire Fund – This fund accounts for tax monies the Township accumulates for payment to the City of Westerville for the Township's portion of the new fire station.

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 expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

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

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Appropriations

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

Estimated Resources

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

Encumbrances

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

A summary of 2019 budgetary activity appears in Note 3.

Deposits and Investments

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

The Township values U.S. Treasury Notes and common stock at cost [or fair value when donated]. Money market mutual funds are recorded at share values the mutual funds report.

Capital Assets

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

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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

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.

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,221,400	\$2,419,778	\$198,378
Special Revenue	5,333,730	5,513,756	180,026
Debt Service	157,000	153,331	(3,669)
Total	\$7,712,130	\$8,086,865	\$374,735

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,583,523	\$2,414,397	\$169,126
Special Revenue	6,150,315	5,654,157	496,158
Debt Service	486,000	448,263	37,737
Total	\$9,219,838	\$8,516,817	\$703,021

Note 4 – Deposits and Investments

The Township maintains a deposits 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:

	2019
Demand deposits	\$2,144,112
Certificates of deposit	4,889,000
Total deposits	7,033,112
Money Market	
Total investments	894,400
Total deposits and investments	\$7,927,512

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Township.

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 at cost (or fair value when donated). Money market mutual funds are recorded at share values the mutual funds report.

Note 5 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

Note 6 – Risk Management

Workers' Compensation

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

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

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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 (local entity's) policy. The Pool covers the following risks:

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

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

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. OPERS – Law Enforcement members 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.

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Note 8 – Postemployment Benefits

OPERS offers 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 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2019.

Note 9 – Debt

Debt outstanding at December 31, 2019 was as follows:

On November 16, 2016, the Township issued \$5,505,000 of Various Purpose Bonds. The Bonds through a negotiated sale were purchased by Fifth Third Securities, Inc. at a combined true interest cost of 2.86% for the purpose of:

Paying the costs of improving the Township cemetery by repairing and replacing the existing roadways by grading, paving and installing drainage and landscaping.

Paying the costs of improving the Township’s public safety services by acquiring and equipping two police cruisers.

Along with other available monies, retiring the Township’s outstanding \$5,280,000 Various Purpose Notes, Series 2016, dated February 9, 2016 and maturing February 9, 2017 originally issued for the purposes of paying the costs of improving the Township’s roadway infrastructure, the Township’s complex and the Township’s park facilities.

Amortization of the debt, including interest is as follows:

Year Ending December 31:	
2020	\$ 419,750
2021	426,000
2022	410,800
2023	405,800
2024	400,800
2025 – 2039	<u>4,648,600</u>
Total	<u>\$6,711,750</u>

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

The Township levied tax monies to be remitted to the City of Westerville as the Township's portion of the fire station improvements. The Township receives tax monies which are then remitted to the City of Westerville has principal and interest payments recorded in the Debt Service Fund. In 2012, the Township refinanced their outstanding debt that included their interest rate decreasing from 5.5% to 3.3% annually. The payments are due in semi-annual installments of varying amounts through 2023.

	Principal	Interest Rate
City of Westerville	105,000	3.30%
Total	\$105,000	

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

	City of Westerville
Year ending December 31:	
2020	29,275
2021	28,650
2022	27,650
2023	31,500
Total	\$117,075

Note 10 - JOINT VENTURES

Blendon-Westerville Joint Economic Development Zone (JEDZ) - this JEDZ was created to facilitate new or expanded growth for commercial and economic development within the JEDZ and the State for the benefit of the City of Westerville, the Township, and the State, and their residents. A Board of Directors has been established, which includes three members appointed by the Township and three members appointed by the City of Westerville. The Board shall adopt bylaws and procedures for the regulations of the affairs of the Board and the conduct of business of the Board consistent with the Contract including the election of Board officers, the holdings and conducting of regular and special meetings, the appropriations procedures to provide for payment of the expenses of the JEDZ and distribution of income tax revenues pursuant to the Contract, and the purchasing of goods and services and the making of capital improvements. The fiscal year shall be the calendar year. The Board shall adopt an annual budget for the JEDZ.

Blendon-Westerville Cooperative Economic Development Agreement (CEDA) – The CEDA agreement addresses the issues of annexation, road maintenance, fire and emergency service, and joint planning in the CEDA area, which includes the Township. The CEDA also provides for the sharing of income tax on any new businesses locating in the agreement area.

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Note 11 - Transfers

The Township made transfers totaling \$350,000 from the General Fund to provide additional support to the Gasoline Tax Fund, Road & Bridge Fund, Lighting Assessment Fund, and Bond Retirement Fund.

Note 12 – Contingent Liabilities

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

Note 13 – Restatement of Fund Balance

A fund balance restatement is required in order to properly account for the interest earned in the Township’s investment account attributable to fiscal year 2018. The General Fund and Special Revenue Fund at January 1, 2019 have been restated as follows:

	<u>General Fund</u>	<u>Special Revenue</u>
Fund Balance as previously reported:	\$ 4,083,536	\$3,603,511
Earnings on Investments Attributable to Fiscal Year 2018:	<u>56,452</u>	<u>5,105</u>
Restated Fund Balance at January 1, 2019	\$4,139,988	\$3,608,616

THIS PAGE INTENTIONALLY LEFT BLANK

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

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

Blendon Township
Franklin County
6350 South Hempstead Road
Westerville, Ohio 43081

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 for each governmental fund type combined total as of and for the year ended December 31, 2020 and for each governmental fund type as of and for the year ended December 31, 2019, and related notes of Blendon Township, Franklin County, (the Township) and have issued our report thereon dated May 19, 2022, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures that may impact subsequent periods of the Township.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) as a basis for designing 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.

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 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.

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 2020-001 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 financial statements. 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Township's Response to Findings

The Township's response to the finding identified in our audit is described in the accompanying schedule of findings and / or corrective action plan. We did not subject the Township's response to the auditing procedures applied in the audit of the financial statements 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 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

May 19, 2022

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2020 AND 2019**

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

FINDING NUMBER 2020-001

Accurate 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 discussed 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 posted to the financial statements and applicable footnote disclosures for the years ended December 31, 2019 and 2020.

Adjustment Description	2019	2020
Reclassify CEDA and JEDZ revenues from Property and Other Local Taxes to Intergovernmental Receipts within the General fund	\$ 1,695,578	\$ 1,607,307
To reclassify General Fund Earnings on Investments and other items related to 2018 activity as an increase to general beginning fund balances.	\$ 56,452	
To reclassify Special Revenue Earnings on Investments and other items related to 2018 activity as in increase to special revenue beginning fund balances.	\$ 5,105	
To reclassify Homestead & Rollback receipts in the General Fund from Property and Other Local Taxes to Intergovernmental Receipts		\$ 9,668
To reclassify Homestead & Rollback receipts in the Special Revenue Funds from Property and Other Local Taxes to Intergovernmental Receipts		\$ 300,220
All debt service activity in 2020 was improperly recorded as a Capital Project fund which resulted in the following adjustments:		
- Receipts		\$ 448,464
- Expenditures		\$ 449,025
- Beginning Fund Balance		\$ 47,204
Unclaimed Funds custodial fund activity in 2020 was not properly rolled into the General Fund as required by GASB 54. The following amounts were adjusted to the General Fund for presentation purposes only:		
- Increase Earnings on Investments.		\$ 17
- Beginning Fund Balance		\$ 1,889

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS (CONTINUED)
DECEMBER 31, 2020 AND 2019**

In addition to the adjustments listed above, we also identified an additional misstatement in the amount of \$12,712 which was brought to the Township's attention. The 2019 and 2020 note disclosures also required significant adjustments to the Equity in Pooled Deposits and Investments, Budgetary Activity, and Debt notes.

Lack or failure of controls over the posting of financial transactions and financial reporting can result in errors and irregularities going undetected; decreasing the reliability of financial data throughout the year.

We recommend the Township's Fiscal Officer enhance internal controls to help ensure accuracy of the accounting ledgers and increase the reliability of the financial data throughout the year. Cash receipts and disbursements should be posted in accordance with procedures and guidelines established in the Ohio Township Handbook. Ohio Revised Code and Auditor of State Bulletins.

Officials' Response: The Township will continue to strive to report financial information in accordance with GAGAS. The Township has made it a practice to reach out to AOS with questions as ongoing and evolving transaction posting which are out of the norm.

Blendon Township

Franklin County Ohio

Board of Trustees

Janice D. Heichel Cathy Shinaberry James F. Welch

Fiscal Officer

Shawn S. Smith

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

DECEMBER 31, 2020 AND 2019

Finding Number	Finding Summary	Status	Additional Information
2018-001	Expenditures Exceeding Appropriations – Noncompliance	Fully Corrected	As we expected, the conversion to UAN has helped in the financial reporting process.
2018-002	Use of Revenues – Noncompliance and Significant Deficiency	Partially Corrected	Reissued as a Management Letter comment. Township’s use of UAN’s fund structure, along with a regular month end close/review process has helped ensure consistent and accurate deposits of revenues to the appropriate funds.
2018-003	Accurate Financial Reporting – Material Weakness	Not Corrected	Repeated as Finding 2020-001. The Township did correct and post all adjusting items from 2017 and 2018. Additionally, the Township will continue to strive to report financial information in accordance with GAGAS. The Township has made it a practice to reach out to AOS with questions as to ongoing and evolving transaction postings which are out of the norm.

THIS PAGE INTENTIONALLY LEFT BLANK

OHIO AUDITOR OF STATE KEITH FABER



BLENDON 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 5/26/2022

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