



**BLENDON TOWNSHIP
FRANKLIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

BLENDON TOWNSHIP
FRANKLIN COUNTY

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OHIO AUDITOR OF STATE KEITH FABER



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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 by fund type, and related notes of the Blendon Township, Franklin County, Ohio (the Township) as of and for the years ended December 31, 2018 and 2017.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

As described in Note 1 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2018 and 2017, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Blendon Township, Franklin County, Ohio as of December 31, 2018 and 2017, and 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.

Emphasis of Matters

As discussed in Note 11 to the 2017 financial statements, during 2017, the Township restated the January 1, 2017 Debt Service fund balance to properly account for the defeasement of debt that was not posted in 2016 and restated the Special Revenue and Permanent fund balances to enact Ohio Rev. Code 517.15. We did not modify our opinion regarding these matters.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2019, 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

December 12, 2019

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BLENDON TOWNSHIP
FRANKLIN COUNTY
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types

For the Year Ended December 31, 2018

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts				
Property and Other Local Taxes	\$62,492	\$4,494,054	\$38,205	\$4,594,751
Charges for Services	73,278	0	0	73,278
Licenses, Permits and Fees	0	122,974	0	122,974
Fines and Forfeitures	21,878	0	0	21,878
Intergovernmental	1,803,916	449,772	0	2,253,688
Special Assessments	0	53,456	0	53,456
Earnings on Investments	44,462	0	0	44,462
Miscellaneous	128,575	212,616	0	341,191
<i>Total Cash Receipts</i>	<u>2,134,601</u>	<u>5,332,872</u>	<u>38,205</u>	<u>7,505,678</u>
Cash Disbursements				
Current:				
General Government	1,057,398	0	0	1,057,398
Public Safety	86,650	4,050,441	0	4,137,091
Public Works	45,028	404,699	0	449,727
Health	48,844	311,710	0	360,554
Human Services	229,024	0	0	229,024
Capital Outlay	108,350	111,812	0	220,162
Debt Service:				
Principal Retirement	0	0	265,000	265,000
Interest and Fiscal Charges	0	0	182,364	182,364
<i>Total Cash Disbursements</i>	<u>1,575,294</u>	<u>4,878,662</u>	<u>447,364</u>	<u>6,901,320</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>559,307</u>	<u>454,210</u>	<u>(409,159)</u>	<u>604,358</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	1,500	0	0	1,500
Transfers In	0	275,000	0	275,000
Transfers Out	(275,000)	0	0	(275,000)
Other Financing Sources	23,415	0	0	23,415
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(250,085)</u>	<u>275,000</u>	<u>0</u>	<u>24,915</u>
<i>Net Change in Fund Cash Balances</i>	309,222	729,210	(409,159)	629,273
<i>Fund Cash Balances, January 1</i>	<u>\$3,774,314</u>	<u>\$2,874,301</u>	<u>\$778,292</u>	<u>\$7,426,907</u>
Fund Cash Balances, December 31				
Nonspendable	0	0	0	0
Restricted	0	3,603,511	369,133	3,972,644
Assigned	265,850	0	0	265,850
Unassigned	3,817,686	0	0	3,817,686
<i>Fund Cash Balances, December 31</i>	<u>4,083,536</u>	<u>3,603,511</u>	<u>369,133</u>	<u>8,056,180</u>

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

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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 Blendon Township, Franklin County, Ohio (the Township), as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, police protection 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 7 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.

The Township also participates in one jointly governed organization. Note 9 to the financial statements provides additional information for this entity. The organization is:

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 9 for further information.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. The basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits and Investments

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

Money market mutual funds are recorded at share values the mutual funds report.

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

D. Fund Accounting

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

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds account for the proceeds from specific sources (other than from debt service or for capital projects) that are restricted to expenditure for specific purposes. 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.

3. Debt Service Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following significant Debt Service Funds:

Bond Fund -- This fund accounts for and reports resources restricted for the retirement of the Various Purpose Bonds issued by the Township for capital improvements made in the Township.

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.

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

3. Encumbrances

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

A summary of 2017 budgetary activity appears in Note 3.

F. Fund Balance

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

1. Nonspendable

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

2. Restricted

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

3. Committed

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

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

5. Unassigned

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

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

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

G. Property, Plant and Equipment

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

H. Accumulated Leave

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

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

The Township maintains a deposit and investment pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments.

	2018
Demand Deposits	\$ 2,433,257
Certificates of deposit	4,619,841
Total deposits	7,053,098
Money Market	1,003,082
Total investments	1,003,082
Total deposits and investments	\$ 8,056,180

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

Investments: Investments in money market mutual funds are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2018 follows:

Fund Type	2018 Budgeted vs. Actual Receipts		
	Budgeted Estimated Receipts	Actual Receipts	Variance
General	\$ 2,254,600	\$ 2,159,516	\$ (95,084)
Special Revenue	5,462,400	5,607,872	145,472
Debt Service	31,030	38,205	7,175
Total	\$ 7,748,030	\$ 7,805,593	\$ 57,563

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

Fund Type	Authority	Expenditures	Variance
General	\$ 2,457,250	\$ 1,850,294	\$ 606,956
Special Revenue	6,055,300	4,878,662	1,176,638
Debt Service	486,000	447,364	38,636
Total	\$ 8,998,550	\$ 7,176,320	\$ 1,822,230

4. PROPERTY TAX

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

5. DEBT

Debt outstanding at December 31, 2018 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, defeasing 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.

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Bonds	<u>\$5,025,000</u>	2.86%
Total	<u><u>\$5,025,000</u></u>	

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

Amortization of the debt, including interest is as follows:

Year Ending December 31:	General Obligation Bonds
2019	\$418,425
2020	419,750
2021	426,000
2022	410,800
2023	405,800
2024-2028	1,880,400
2029-2033	1,500,400
2034-2038	1,413,800
2039	254,800
Total	<u>\$7,130,175</u>

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 as 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	<u>130,000</u>	3.30%
Total	<u>\$130,000</u>	

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

Year ending December 31:	City of Westerville
2019	29,838
2020	29,275
2021	28,650
2022	27,650
2023	31,500
Total	<u>\$146,913</u>

6. 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. For 2018 OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. For 2018 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, 2018.

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

7. 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 2018. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2018.

8. RISK MANAGEMENT

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

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

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>2018</u>
Cash and investments	\$33,097,416
Actuarial liabilities	\$ 7,874,610

9. JOINTLY GOVERNED ORGANIZATION

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, 2018**

10. TRANSFERS

The Township made transfers totaling \$275,000 from the General Fund to provide additional support to the Gasoline Tax and Road and Bridge Funds.

11. 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.

**BLENDON TOWNSHIP
FRANKLIN COUNTY**
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types

For the Year Ended December 31, 2017

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts				
Property and Other Local Taxes	\$57,984	\$4,517,815	\$34,646	\$4,610,445
Charges for Services	69,968	0	0	69,968
Licenses, Permits and Fees	0	123,915	0	123,915
Fines and Forfeitures	48,375	0	0	48,375
Intergovernmental	1,808,823	422,297	0	2,231,120
Special Assessments	0	54,387	0	54,387
Earnings on Investments	25,871	4,001	0	29,872
Miscellaneous	66,402	222,628	14,804	303,834
<i>Total Cash Receipts</i>	<u>2,077,423</u>	<u>5,345,043</u>	<u>49,450</u>	<u>7,471,916</u>
Cash Disbursements				
Current:				
General Government	818,628	0	0	818,628
Public Safety	68,153	4,142,172	0	4,210,325
Public Works	14,043	550,552	0	564,595
Health	47,731	201,109	0	248,840
Human Services	209,738	0	0	209,738
Capital Outlay	766,890	1,616,982	0	2,383,872
Debt Service:				
Principal Retirement	0	0	265,000	265,000
Interest and Fiscal Charges	0	0	186,201	186,201
<i>Total Cash Disbursements</i>	<u>1,925,183</u>	<u>6,510,815</u>	<u>451,201</u>	<u>8,887,199</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>152,240</u>	<u>(1,165,772)</u>	<u>(401,751)</u>	<u>(1,415,283)</u>
Other Financing Receipts (Disbursements)				
Transfers In	0	230,000	0	230,000
Transfers Out	(230,000)	0	0	(230,000)
Other Financing Sources	23,990	0	0	23,990
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(206,010)</u>	<u>230,000</u>	<u>0</u>	<u>23,990</u>
<i>Net Change in Fund Cash Balances</i>	(53,770)	(935,772)	(401,751)	(1,391,293)
<i>Fund Cash Balances, January 1, as restated</i>	<u>\$3,828,084</u>	<u>\$3,810,073</u>	<u>\$1,180,043</u>	<u>\$8,818,200</u>
Fund Cash Balances, December 31				
Restricted	0	2,874,301	778,292	3,652,593
Assigned	202,650	0	0	202,650
Unassigned	3,571,664	0	0	3,571,664
<i>Fund Cash Balances, December 31</i>	<u>3,774,314</u>	<u>2,874,301</u>	<u>778,292</u>	<u>7,426,907</u>

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

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

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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 8 for further information.

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

B. Accounting Basis

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These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits and Investments

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Money market mutual funds are recorded at share values the mutual funds report.

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

D. Fund Accounting

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1. General Fund

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2. Special Revenue Funds

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

3. Debt Service Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following significant Debt Service Funds:

Bond Fund -- This fund accounts for and reports resources restricted for the retirement of the Various Purpose Bonds issued by the Township for capital improvements made in the Township.

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.

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

3. Encumbrances

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

A summary of 2017 budgetary activity appears in Note 3.

F. Fund Balance

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

1. Nonspendable

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

2. Restricted

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

3. Committed

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

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

5. Unassigned

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

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

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

G. Property, Plant and Equipment

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

H. Accumulated Leave

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

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

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

	2017
Demand Deposits	\$ 2,347,792
Certificates of deposit	5,057,198
Total deposits	7,404,990
Money Market	21,917
Total investments	21,917
Total deposits and investments	<u>\$ 7,426,907</u>

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

Investments: Investments money market mutual funds are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts			
	Budgeted	Actual	
Fund Type	Receipts	Receipts	Variance
General	\$ 2,244,600	\$ 2,101,413	\$ (143,187)
Special Revenue	5,296,030	5,575,043	279,013
Debt Service	25,500	49,450	23,950
Total	<u>\$ 7,566,130</u>	<u>\$ 7,725,906</u>	<u>\$ 159,776</u>

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
	Appropriation	Budgetary	
Fund Type	Authority	Expenditures	Variance
General	\$ 3,033,250	\$ 2,155,183	\$ 878,067
Special Revenue	6,362,100	6,510,815	(148,715)
Debt Service	506,500	451,201	55,299
Total	\$ 9,901,850	\$ 9,117,199	\$ 784,651

4. PROPERTY TAX

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

5. DEBT

Debt outstanding at December 31, 2017 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, defeasing 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.

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Bonds	\$5,265,000	2.86%
Total	<u>\$5,265,000</u>	

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

Amortization of the debt, including interest is as follows:

Year Ending December 31:	General Obligation Bonds
2018	\$417,025
2019	418,425
2020	419,750
2021	426,000
2022	410,800
2023-2027	1,987,000
2028-2032	1,496,600
2033-2037	1,462,600
2038-2039	509,000
Total	<u>\$7,547,200</u>

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 as 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.

	<u>Principal</u>	<u>Interest Rate</u>
City of Westerville	<u>155,000</u>	3.30%
Total	<u>\$155,000</u>	

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

Year ending December 31:	City of Westerville
2018	\$30,338
2019	29,838
2020	29,275
2021	28,650
2022	27,650
2023	31,500
Total	<u>\$177,251</u>

6. 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. For 2017 OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. For 2016 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, 2017.

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

7. RISK MANAGEMENT

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

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2017, OTARMA retained \$350,000 for casualty claims and \$250,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2017.

	2017
Assets	\$40,010,732
Liabilities	8,675,465
Net Position	\$31,335,267

At December 31, 2017 the liabilities above include approximately \$8.0 million of estimated incurred claims payable. The assets above also include approximately \$6.9 million of unpaid claims to be billed to approximately 1,016 member governments in the future, as of December 31, 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the Township's share of these unpaid claims collectible in future years is approximately \$18,000.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

<u>2017 Contributions to OTARMA</u>
--

\$40,545

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

8. JOINTLY GOVERNED ORGANIZATION

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.

9. TRANSFERS

The Township made transfers totaling \$230,000 from the General Fund to provide additional support to the Gasoline Tax and Road and Bridge Funds.

10. 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.

11. RESTATEMENT OF FUND BALANCE

A fund balance restatement is required in order to properly account for the defeasement of the Township's 2016 Bond Anticipation Note on December 7, 2016 in the Debt Service Fund.

A fund balance restatement is also required to enact Ohio Rev. Code 517.15, which was approved unanimously by the Board to convert the permanent fund balance to spendable, which changes the fund classification from permanent to special revenue.

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

The funds have been restated as follows at January 1, 2017:

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Permanent</u>
Fund Balance as previously reported:	\$3,802,563	\$6,552,284	\$7,510
Net Effect of spendable balance conversion	7,510	0	(7,510)
Net Effect of Payment to Escrow Trustee for Defeasement of Bond Anticipation Note	<u>0</u>	<u>(5,372,241)</u>	<u>0</u>
Restated Fund Balance at January 1, 2017	\$3,810,073	\$1,180,043	\$0

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OHIO AUDITOR OF STATE KEITH FABER



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

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

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 by fund type of the Blendon Township, Franklin County, Ohio, (the Township) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, and have issued our report thereon dated December 12, 2019, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted, for 2017, the Township restated the January 1, 2017 Debt Service fund balance to properly account for the defeasement of debt that was not posted in 2016 and restated the Special Revenue and Permanent fund balances to enact Ohio Rev. Code 517.15.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. We consider finding 2018-003 described in the accompanying schedule of findings to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2018-002 described in the accompanying schedule of findings to be a significant deficiency.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards*, which are described in the accompanying schedule of findings as items 2018-001 and 2018-002.

Township's Response to Findings

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

Purpose of this Report

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



Keith Faber
Auditor of State

Columbus, Ohio

December 12, 2019

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2018 and 2017**

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

FINDING NUMBER 2018-001

Expenditures Exceeding Appropriations – Noncompliance

Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing unit from expending money unless it has been appropriated. The legal level of budgetary control for the Township is the level at which Trustees adopts the original appropriation measure, which was the object level.

The Township did not have procedures in place to accurately monitor expenditures vs approved appropriations. As a result, actual expenditures of \$1,673,913 exceeded appropriations of \$1,078,500 for the year ended December 31, 2017 in the Road and Bridge Special Revenue Fund for an excess amount of \$595,413. Fund level appropriations can only be exceeded if there is noncompliance at the object level.

Failure to have adequate appropriation authority in place at the time of expenditure may result in expenditures exceeding available resources, and resulted in deficit spending in the Road and Bridge Fund.

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

Officials' Response: Blendon Township will be transitioning to the State of Ohio Auditor's Uniform Accounting Network (UAN) System in fiscal year 2020. It is apparent that UAN possesses vast improvements in financial monitoring and reporting capabilities over our current system. This, coupled with continuous managerial monitoring, should effectively mitigate against the risks encountered in Finding 2018-001.

FINDING NUMBER 2018-002

Use of Revenues – Noncompliance and Significant Deficiency

Ohio Rev. Code § 5705.10(C) states, all revenue derived from a special levy shall be credited to a special fund for the purpose for which the levy was made.

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

Due to lack of board and management monitoring, the following posting errors were noted:

- In both 2017 and 2018, Property and Other Local Taxes revenue receipts were posted to the General Fund, but should have been posted to the Special Revenue Fund, in the amounts of \$119,545 and \$63,920, respectively.
- In 2018, Sale of Capital Assets were posted to the Special Revenue Fund, but should have been posted to the General Fund, in the amount of \$1,000.

BLENDON TOWNSHIP
FRANKLIN COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2018 and 2017
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGA (Continued)S

FINDING NUMBER 2018-002 (Continued)

Use of Revenues – Noncompliance and Significant Deficiency (Continued)

The adjustments have been accounted for in the accompanying December 31, 2018 and 2017 financial statements and have been posted to the Township's accounting ledgers.

Failure to post revenues and expenditures to the proper fund could result in restricted funds being spent for an unallowable purpose.

We recommend the Fiscal Officer take measures to ensure all revenues and expenditures are posted to the correct funds, which includes implementing controls over the review of financial information.

Officials' Response: The cash balances associated with the affected funds have been corrected to reflect the appropriate allocation and assignment of revenues. As suggested, management is committed to ensuring the timely review of financial transactions, including revenue deposit fund assignments. As we move forward, replicating deposits that were previously accurately completed by type help promote this practice.

FINDING NUMBER 2018-003

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, 2017 and 2018.

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2018 and 2017
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGA (Continued)S
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FINDING NUMBER 2018-003 (Continued)

Accurate Financial Reporting – Material Weakness (Continued)

Error Description	2017	2018
Reclassification of Property Taxes to Intergovernmental in the General fund	\$1,562,963	\$1,538,927
Reclassification of Special Assessment fund activity from the Special Assessment fund type to the Special Revenue fund type		Receipts - Special Assessments \$53,456 Expenditures - Public works \$56,652 Assets - Cash \$734
Reclassification of Bond Fund activity from the Special Revenue fund type to the Debt Service fund type		Expenditures - Principal \$240,000 Expenditures - Interest \$177,025 Assets - Cash \$346,970
Adjustment to bring the Permanent Cemetery fund balance onto the statements as part of the Special Revenue fund type		Cash \$7,513 Restricted Fund Balance \$7,513
Reclassification of Unassigned fund balance to Restricted fund balance	Special Revenue: \$2,747,243 Debt Service: \$778,292	Special Revenue: \$3,595,998 Debt Service: \$369,133
Reclassification/Restatement of Permanent fund balance to Special Revenue fund type	Beginning Balance: \$7,510 Earnings on Investments: \$3 Cash: \$7,513	
Reclassification of Unassigned to Assigned fund balance in the General fund	\$202,650	\$265,850
Reclassification of Other Revenue to Sale of Capital Assets in the General fund		\$500
Restatement of beginning fund balance in the Debt Service Fund: Defeasement of BAN in December 2016	Decrease of \$5,372,241	

In addition to the adjustments listed above, we also identified additional misstatements ranging from \$2,750 to \$58,462 that we have brought to the Township's attention.

The 2018 note disclosures also required significant adjustments to the Equity in Pooled Deposits and Investments, Budgetary Activity, and Debt notes, while the Other Post Employment Benefit note was added.

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

**BLENDON TOWNSHIP
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2018 and 2017
(Continued)**

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGA (Continued)S</p>

FINDING NUMBER 2018-003 (Continued)

Accurate Financial Reporting – Material Weakness (Continued)

We recommend the Township's Fiscal Officer ensure the accurate posting of all transactions to the ledgers. Cash receipts and disbursements should be posted in accordance with procedures and posting guidelines established in the Ohio Township Handbook line item descriptions and Auditor of State Bulletins. By exercising accuracy in recording financial activity, the Township can reduce posting errors and increase the reliability of the financial data throughout the year.

Officials' Response: The classification errors identified in the 2017 and 2018 financial statements have been corrected to reflect appropriate reporting requirements. Again, Blendon Township will endeavor to produce financial statements with appropriate classifications. The aforementioned transition to UAN should help support this effort.

Blendon Township

Franklin County Ohio

Board of Trustees

Stewart L. Flaherty Janice D. Heichel James F. Welch

Fiscal Officer
Shawn S. Smith

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

DECEMBER 31, 2018 AND 2017

Finding Number	Finding Summary	Status	Additional Information
2016-001	Material Weakness – Accurate Financial Reporting	Not Corrected	Repeated as Finding 2018-001

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OHIO AUDITOR OF STATE KEITH FABER



BLENDON TOWNSHIP

FRANKLIN 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
JANUARY 14, 2020**