



**TWINSBURG TOWNSHIP
SUMMIT COUNTY
Regular Audit
For the Year Ended December 31, 2019**

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Marietta, OH 45750
740 373 0056

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304 422 2203

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OHIO AUDITOR OF STATE
KEITH FABER



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Board of Trustees
Twinsburg Township
1790 Enterprise Parkway
Twinsburg, Ohio 44087

We have reviewed the *Independent Auditor's Report* of Twinsburg Township, Summit County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2019 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

December 8, 2020

**TWINSBURG TOWNSHIP
SUMMIT COUNTY**

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INDEPENDENT AUDITOR'S REPORT

August 31, 2020

Twinsburg Township
Summit County
1790 Enterprise Parkway
Twinsburg, OH 44087

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 **Twinsburg Township**, Summit County, (the Township) as of and for the year ended December 31, 2019.

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.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
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Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2019, and 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 Twinsburg Township, Summit County as of December 31, 2019, and for the year then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 15 to the financial statements, during 2019 the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2020, 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.



Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**TWINSBURG TOWNSHIP
SUMMIT COUNTY**

**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	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 296,856	\$ 2,098,610	\$ -	\$ 2,395,466
Licenses, Permits and Fees	86,437	-	-	86,437
Fines and Forfeitures	7,514	-	-	7,514
Intergovernmental	2,618,202	553,927	492,929	3,665,058
Special Assessments	18,165	-	-	18,165
Earnings on Investments	25,884	714	-	26,598
Miscellaneous	52,371	-	-	52,371
<i>Total Cash Receipts</i>	<u>3,105,429</u>	<u>2,653,251</u>	<u>492,929</u>	<u>6,251,609</u>
Cash Disbursements				
Current:				
General Government	1,188,278	-	-	1,188,278
Public Safety	-	1,547,753	-	1,547,753
Public Works	207,105	424,958	1,418,644	2,050,707
Conservation-Recreation	160,758	-	-	160,758
Other	54,682	-	-	54,682
Capital Outlay	55,771	356,119	-	411,890
Debt Service:				
Principal Retirement	587,039	-	-	587,039
Interest and Fiscal Charges	56,990	-	-	56,990
<i>Total Cash Disbursements</i>	<u>2,310,623</u>	<u>2,328,830</u>	<u>1,418,644</u>	<u>6,058,097</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>794,806</u>	<u>324,421</u>	<u>(925,715)</u>	<u>193,512</u>
Other Financing Receipts (Disbursements)				
Other Debt Proceeds	-	-	592,856	592,856
Sale of Capital Assets	151,184	34,050	-	185,234
Transfers In	-	100,000	-	100,000
Transfers Out	(100,000)	-	-	(100,000)
Other Financing Uses	(36,132)	-	-	(36,132)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>15,052</u>	<u>134,050</u>	<u>592,856</u>	<u>741,958</u>
<i>Net Change in Fund Cash Balances</i>	809,858	458,471	(332,859)	935,470
<i>Fund Cash Balances, January 1 (Restated, See Note 14)</i>	<u>918,765</u>	<u>3,460,591</u>	<u>332,859</u>	<u>4,712,215</u>
Fund Cash Balances, December 31				
Restricted	-	3,919,062	-	3,919,062
Assigned	474,410	-	-	474,410
Unassigned	1,254,213	-	-	1,254,213
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,728,623</u>	<u>\$ 3,919,062</u>	<u>\$ -</u>	<u>\$ 5,647,685</u>

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

**TWINSBURG TOWNSHIP
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Twinsburg Township, Summit County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township maintains various public properties (including parks), roads, and bridges and provides residential solid waste and recycling collection, police protection, and fire protection and emergency medical services, along with planning and zoning administration and enforcement. The Township contracts with Kimble Companies to provide residential solid waste disposal and recycling, contracts with the County of Summit and the Summit County Sheriff for police protection, contracts with the City of Twinsburg to provide fire protection and emergency medical services, and provides all other services with a combination of in-house staff and outside vendors as needed.

Public Entity Risk Pool, Joint Venture, and Related Organization

The Township participates in a public entity risk pool and a joint venture and is associated with a related organization. Notes 6, 12, and 13 to the financial statements provide additional information for these entities. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant special revenue funds:

2031 Road and Bridge Fund - This fund receives money from two special tax levies and is used for constructing, maintaining, and repairing Township roads and bridges.

2081 Police District Fund - This fund receives money from four special tax levies and is used to pay for the cost of police protection services provided by the Summit County Sheriff's Department via contract.

**TWINSBURG TOWNSHIP
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project fund:

4403 Marwell #3 Fund - This fund receives money from grants and other debt proceeds and is used to pay for services provided by outside contractors on the Marwell Estates Allotment Road Reconstruction Project Phase 3.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section (ORC) 117.38 and Ohio Administrative Code (OAC) 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 ORC Section 117.38 and OAC Section 117-2-03 (D) permit.

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and 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 carried over, and need not be reappropriated.

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 uses only interest bearing checking and traditional CD's as deposit instruments. Certificates of deposit are valued at cost.

**TWINSBURG TOWNSHIP
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 2 – Summary of Significant Accounting Policies (Continued)

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.

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.

**TWINSBURG TOWNSHIP
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 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	\$2,943,490	\$3,256,613	\$313,123
Special Revenue	2,782,493	2,787,301	4,808
Capital Projects	7,241,088	1,085,785	(6,155,303)
Total	\$12,967,071	\$7,129,699	\$(5,837,372)

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,506,857	\$2,921,165	\$585,692
Special Revenue	2,588,297	2,409,068	179,229
Capital Projects	1,710,154	1,418,643	291,511
Total	\$7,805,308	\$6,748,876	\$1,056,432

Note 4 – Deposits and Investments

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

Demand deposits	2019 \$4,842,598
Certificates of deposit	805,087
Total deposits and investments	\$5,647,685

Deposits

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

**TWINSBURG TOWNSHIP
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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 credit 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. Public utilities are also taxed on personal and real property located within the Township.

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

Note 6 – Risk Management.

Risk Pool Membership

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

- 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

**TWINSBURG TOWNSHIP
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The ORC also prescribes contribution rates. For 2019, OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through 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

Manuscript Debt

In 2015 the Township issued manuscript debt in accordance with ORC Section 505.262. This bond issue was authorized on November 3, 2015, with a 10-year term and a 1.50 percent interest rate, with an initial balance outstanding of \$630,000, with first annual payment due on December 1, 2016, and the last annual payment due on December 1, 2025. For the Manuscript Bond, Series 2015, the Township in 2019 pre-paid principal for 2022, 2023, 2024, and 2025. Manuscript debt outstanding at December 31, 2019 was as follows:

Debt	Balance Outstanding 1/1/2019	Additions	Deletions	Balance Outstanding 12/31/2019
Manuscript Bond, Series 2015	\$ 252,000	\$ -	\$ 252,000	\$ -

**TWINSBURG TOWNSHIP
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 9 – Debt (Continued)

SIB Loans

In 2013, 2017, and 2018 the Township entered into agreements with Ohio Department of Transportation (ODOT) for a State Infrastructure Bank (SIB) Loans in accordance with ORC Section 5531.09. The loan agreements were executed April 24, 2013, January 25, 2017, and April 26, 2018, respectively, with 10-, 10-, and 15-year terms, respectively, and 3 percent interest rates each, with interest accrual to begin in the 13th month and semi-annual payments to begin in the 31st month each, with final balances outstanding of \$1,980,988, \$1,927,273, and \$1,052,674, respectively, with first semi-annual payments due on October 24, 2015, July 25, 2019, and October 26, 2020, respectively, and with last semiannual payments due on April 24, 2023, January 25, 2027, and April 26, 2033, respectively. The 2018 SIB Loan has one additional disbursement in the amount of \$15,046 to be received in April 2020 . SIB Loan balances outstanding at December 31, 2019 were as follows:

	Balance Outstanding 1/1/2019		Additions	Deletions	Balance Outstanding 12/31/2019	
SIB, Series 2013	\$	1,172,017	\$ -	\$ 247,048	\$	924,969
SIB, Series 2017	\$	1,555,078	\$ 372,195	\$ 87,991	\$	1,839,282
SIB, Series 2018	\$	816,966	\$ 220,661	\$ -	\$	1,037,627
Total	\$	3,544,061	\$ 592,856	\$ 335,039	\$	3,801,878

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

Years	Principal and Capitalized Interest	Interest	Principal and Interest
2020	\$510,081	\$95,169	\$605,250
2021	559,403	95,041	654,444
2022	576,311	78,133	654,444
2023	453,545	60,714	514,259
2024	324,966	49,108	374,074
2025-2029	1,068,028	113,126	1,181,154
2030-2033	309,544	19,765	329,309
Total	\$3,801,878	\$511,056	\$4,312,934

Leases

In July 2016, the Township entered into a five-year lease with Toshiba Financial Services, a financing lender for Toshiba equipment, to lease two multi-functional copiers for Township facilities. In accordance with the lease agreement, the Township makes monthly payments to Toshiba Financial Services of \$196 beginning August 2016 and ending July 2021.

In September 2017 the Township entered into a five-year lease with Pitney Bowes, to lease a postage machine and scale for Township use. In accordance with the lease agreement, the Township makes quarterly payments to Pitney Bowes of \$198 beginning October 2017 and ending in September 2022.

**TWINSBURG TOWNSHIP
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 9 – Debt (Continued)

Leases (Continued)

In 2013, the Township entered into a two-year lease with Guardian Alarm Company, to lease an access management system for Township facilities. In accordance with the lease agreement, the Township makes monthly payments of \$263 to Guardian Alarm Company beginning March 2013 and ending February 2015. Beginning March 2015 and since that date, the lease has continued on a month to month basis.

Note 10 – Construction and Contractual Commitments

The Township at December 31, 2019 had no potentially significant outstanding construction contract commitments.

Note 11 – Contingent Liabilities

The Township is defendant in one lawsuit. Although management cannot presently determine the outcome of this, management believes that the resolution of this matter will not materially adversely affect the Township's financial condition.

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 12 – Joint Venture

Per a contract executed in July 2002 and approved by Township voters in November 2002, the Township participates in the Twinsburg Township-Village of Reminderville Joint Economic Development District (the "JEDD"), which is a statutorily created subdivision of the state. The purpose of the JEDD is to facilitate economic development, to create or preserve jobs and employment opportunities, and to improve the economic welfare of the people of the State, the County, the Village, the Township, and the JEDD. This joint venture is considered a separate reporting entity by the Township's management. Accordingly, the joint venture has not been included in these financial statements.

Note 13 – Related Organization

Per Summit County Common Pleas Case No. MS-2012-00-0042 Court Order dated July 26, 2012, a transitional period began on January 1, 2014 and ended on December 31, 2016, during which the Township gradually became the appointing authority for the Twinsburg Township Water District (the "Water District"), which is a statutorily created subdivision of the state. The purpose of the Water District is to provide a public water supply to the Water District, which includes all land in the Township. This related organization is considered a separate reporting entity by the Township's management. Accordingly, the related organization has not been included in these financial statements.

**TWINSBURG TOWNSHIP
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 14 – Prior Period Restatement

The following adjustment is reflected in the January 1, 2019 fund balances:

	General Fund
December 31, 2018 audited balances	\$ 917,891
Adjustment to account for canceled checks	<u>874</u>
January 1, 2019 balances	<u>\$ 918,765</u>

The Township canceled checks that were outstanding and reissued new checks.

Note 15 – Subsequent Events

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, any recovery from emergency funding, either federal or state, cannot be estimated.



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

August 31, 2020

Twinsburg Township
Summit County
1790 Enterprise Parkway
Twinsburg, OH 44087

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 **Twinsburg Township**, Summit County, (the Township) as of and for the year ended December 31, 2019, and the related notes to the financial statements and have issued our report thereon dated August 31, 2020, 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 and we noted the financial impact of COVID-19 and the ensuing emergency measures will 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) 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.

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.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
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Internal Control Over Financial Reporting (Continued)

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 audit findings that we consider a material weakness. We consider finding 2019-001 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 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

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



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**TWINSBURG TOWNSHIP
SUMMIT COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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

FINDING NUMBER 2019-001

Material Weakness

Posting Receipts and Disbursements

The Township is responsible for establishing procedures and controls to help prevent and detect errors in financial reporting.

During 2019, receipts and disbursements were not always posted correctly. The following posting errors were noted:

- Debt proceeds and subsequent disbursements were not entirely recorded for pass through activity on behalf of the township regarding the SIB loans through the Ohio Department of Transportation.

Not posting receipts and disbursements accurately resulted in the financial statements requiring adjustment. The Financial Statements reflect all reclassifications.

To help ensure accuracy and reliability in the financial reporting process, we recommend management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all revenues and disbursements are properly identified and classified on the financial statements.

We also recommend the Fiscal Officer refer to the Ohio Township Handbook for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements.

Management's Response – We did not receive a response from officials to this finding.

OHIO AUDITOR OF STATE KEITH FABER



TWINSBURG TOWNSHIP

SUMMIT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 12/22/2020

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