



OHIO AUDITOR OF STATE  
**KEITH FABER**





**AUSTINTOWN TOWNSHIP  
MAHONING COUNTY  
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## INDEPENDENT AUDITOR'S REPORT

Austintown Township  
Mahoning County  
82 Ohltown Road  
Youngstown, Ohio 44515

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 Austintown Township, Mahoning County, Ohio (the Township) as of and for the years ended December 31, 2019 and 2018.

### ***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, 2019 and 2018, 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 Austintown Township, Mahoning County as of December 31, 2019 and 2018, 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 Matter***

As discussed in Note 10 to the financial statements, 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 November 23, 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.



Keith Faber  
Auditor of State

Columbus, Ohio

November 23, 2020

**AUSTINTOWN TOWNSHIP  
MAHONING COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	General	Special Revenue	Capital Projects	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$893,327	\$9,233,901			\$10,127,228
Charges for Services	2,715	98,212			100,927
Licenses, Permits and Fees	308,718	89,424			398,142
Fines and Forfeitures	19,640	42,245			61,885
Intergovernmental	1,031,859	2,204,369	\$150,000		3,386,228
Special Assessments			124,439		124,439
Earnings on Investments	11,646	947		\$23	12,616
Miscellaneous	31,857	624,902			656,759
<i>Total Cash Receipts</i>	<u>2,299,762</u>	<u>12,294,000</u>	<u>274,439</u>	<u>23</u>	<u>14,868,224</u>
<b>Cash Disbursements</b>					
Current:					
General Government	872,832	274,988	3,753		1,151,573
Public Safety	4,004	8,759,411			8,763,415
Public Works		2,041,654	3,295		2,044,949
Health	174,660	21,334			195,994
Human Services		341,686			341,686
Conservation-Recreation		443,556			443,556
Capital Outlay	2,218	746,464	411,749		1,160,431
Debt Service:					
Principal Retirement	165,000	338,047	5,300		508,347
Interest and Fiscal Charges	11,438		19,087		30,525
<i>Total Cash Disbursements</i>	<u>1,230,152</u>	<u>12,967,140</u>	<u>443,184</u>	<u>0</u>	<u>14,640,476</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,069,610</u>	<u>(673,140)</u>	<u>(168,745)</u>	<u>23</u>	<u>227,748</u>
<b>Other Financing Receipts (Disbursements)</b>					
Sale of Notes	165,000	335,000			500,000
Sale of Capital Assets	654	16,869			17,523
Transfers In		435,000	26,307		461,307
Transfers Out	(1,523,307)				(1,523,307)
Advances In	2,378,420	1,233,500	41,920		3,653,840
Advances Out	(2,578,420)	(1,233,500)	(41,920)		(3,853,840)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(1,557,653)</u>	<u>786,869</u>	<u>26,307</u>	<u>0</u>	<u>(744,477)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(488,043)</u>	<u>113,729</u>	<u>(142,438)</u>	<u>23</u>	<u>(516,729)</u>
<i>Fund Cash Balances, January 1</i>	<u>932,958</u>	<u>1,028,706</u>	<u>172,483</u>	<u>4,606</u>	<u>2,138,753</u>
<b>Fund Cash Balances, December 31</b>					
Nonspendable				4,629	4,629
Restricted		1,142,435	30,045		1,172,480
Unassigned (Deficit)	444,915				444,915
<i>Fund Cash Balances, December 31</i>	<u>\$444,915</u>	<u>\$1,142,435</u>	<u>\$30,045</u>	<u>\$4,629</u>	<u>\$1,622,024</u>

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

**AUSTINTOWN TOWNSHIP  
MAHONING COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Proprietary Fund Types		Fiduciary Fund Types	Totals
	Enterprise	Internal Service	Custodial/Agency	(Memorandum Only)
<b>Operating Cash Receipts</b>				
Miscellaneous	\$158,199	\$225,228		\$383,427
<i>Total Operating Cash Receipts</i>	<u>158,199</u>	<u>225,228</u>	<u>0</u>	<u>383,427</u>
<b>Operating Cash Disbursements</b>				
Salaries		953,054		953,054
Employee Fringe Benefits		510,011		510,011
Purchased Services	40,927	147,947		188,874
Supplies and Materials		6,971		6,971
Other	35,310	1,930	15,772	53,012
<i>Total Operating Cash Disbursements</i>	<u>76,237</u>	<u>1,619,913</u>	<u>15,772</u>	<u>1,711,922</u>
<i>Operating Income (Loss)</i>	<u>81,962</u>	<u>(1,394,685)</u>	<u>(15,772)</u>	<u>(1,328,495)</u>
<b>Non-Operating Receipts (Disbursements)</b>				
Intergovernmental		10,757		10,757
Miscellaneous Receipts		84,180	45,928	130,108
Sale of Capital Assets		1		1
Capital Outlay	(173,749)	(5,064)		(178,813)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(173,749)</u>	<u>89,874</u>	<u>45,928</u>	<u>(37,947)</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	<u>(91,787)</u>	<u>(1,304,811)</u>	<u>30,156</u>	<u>(1,366,442)</u>
Transfers In		1,062,000		1,062,000
Advances In		1,303,000		1,303,000
Advances Out		(1,103,000)		(1,103,000)
<i>Net Change in Fund Cash Balances</i>	<u>(91,787)</u>	<u>(42,811)</u>	<u>30,156</u>	<u>(104,442)</u>
<i>Fund Cash Balances, January 1</i>	<u>597,693</u>	<u>51,334</u>	<u>200,790</u>	<u>849,817</u>
<i>Fund Cash Balances, December 31</i>	<u>\$505,906</u>	<u>\$8,523</u>	<u>\$230,946</u>	<u>\$745,375</u>

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



**AUSTINTOWN TOWNSHIP  
MAHONING COUNTY**

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

**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 Austintown Township, Mahoning County, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides general services, road and bridge maintenance, cemetery maintenance, police and fire protection, park and recreation and zoning services.

The Township participates in two jointly governed organizations. Note 9 to the financial statements provides additional information for these entities. These organizations are:

Jointly Governed Organizations:

**ABC Water and Storm Water District** – Austintown Township participates in a jointly governed water district with Boardman Township and the City of Canfield. The district formed in 2010 with the intent to deal with both storm water flooding and potable water source issues.

**Austintown – Boardman – Mahoning County Joint Communications District** is the council of governments responsible for the joint radio-dispatch system shared by Austintown and Boardman Townships and Mahoning County. Austintown, Boardman and Mahoning County Joint Communications District was established pursuant to Chapter 167 of the Ohio Revised Code. This is a successor COG to the Austintown, Boardman Joint Communications District.

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 permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**C. Deposits and Investments**

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

Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report. Certificates of Deposit are recorded at cost on the date purchased.

**AUSTINTOWN TOWNSHIP  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019  
(Continued)**

**D. Fund Accounting**

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

**1. General Fund**

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

**2. Special Revenue Funds**

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

Police District Fund - This fund receives property tax money to provide police protection for Township residents.

Fire District Fund - This fund receives property tax money to provide fire protection for Township residents.

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

Park Fund - This fund receives property tax money for maintaining Township parks.

**3. 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 funds:

Lighting District – Special Assessments are used to maintain Township lights.

Communications Equipment Fund – A joint communications district was established with Boardman Township and Mahoning County to provide communications equipment, personnel and services to the District. This fund received debt proceeds for equipment purchases.

**4. Permanent Funds**

These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting Township's programs (for the benefit of the township or its citizenry). The Township had the following significant permanent fund:

Cemetery Bequests Fund – This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of specific family plots/graves within the Township's cemeteries.

**AUSTINTOWN TOWNSHIP  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019  
(Continued)**

**5. Enterprise Fund**

This fund accounts for any activity for which a fee is charged to external users for goods or services. The Township has one enterprise fund:

Westchester Building Fund – This fund collects rental income from the building to be used for Parks and Recreation.

**6. Internal Service Fund**

This fund accounts for services provided by one department to other departments of the township unit. The Township had the following Internal Service Funds:

Communications Fund – This fund receives reimbursements from other funds to pay for the operation of the Fire and Police Dispatch which also services 911 and the entire phone system for the Township.

Maintenance Fund – This fund receives reimbursements from other funds based on the department utilization to pay for the maintenance of Township vehicles and equipment.

**7. Fiduciary Funds**

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

Custodial/agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township disburses these funds as directed by the individual, organization or other government. The Township's agency funds account for Unclaimed Monies and Custodial Holdings such as fire loss insurance proceeds and Task Force forfeiture pending monies.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) 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. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

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

**AUSTINTOWN TOWNSHIP  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019  
(Continued)**

**3. 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.

**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.

**AUSTINTOWN TOWNSHIP  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019  
(Continued)**

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

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

**H. Accumulated Leave**

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

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

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

	2019
Demand deposits	\$2,093,847
Other time deposits (savings and NOW accounts)	273,552
Total deposits	2,367,399

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

The Township's financial institution transfers securities to the Township's agent to collateralize repurchase agreements. The securities are not in the Township's name.

**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	\$2,400,000	\$2,465,416	\$65,416
Special Revenue	13,177,000	13,080,869	(96,131)
Capital Projects	724,000	300,746	(423,254)
Permanent	0	23	23
Enterprise	150,000	158,199	8,199
Internal Service	1,595,000	1,382,166	(212,834)
Custodial	0	45,928	45,928
Total	\$18,046,000	\$17,433,347	(\$612,653)

**AUSTINTOWN TOWNSHIP  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019  
(Continued)**

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,786,924	\$2,769,271	\$17,653
Special Revenue	13,902,024	13,149,232	752,792
Capital Projects	884,000	443,601	440,399
Permanent	0	0	0
Enterprise	450,000	249,986	200,014
Internal Service	1,626,100	1,624,977	1,123
Custodial	200,790	15,772	185,018
Total	\$19,849,838	\$18,252,839	\$1,596,999

**4. PROPERTY TAX**

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

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

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

**5. DEBT**

Debt outstanding at December 31, 2019 was as follows:

	Principal	Interest Rate
OPWC SR 46 Sanitary Loan	\$36,563	0%
Communications Equipment Note	542,700	3.50%
Total	\$579,263	

The Township issued the Communications Equipment Note to finance the purchase of communication equipment for the Township's 911 system. The Township also has an OPWC Loan through the Mahoning County Sanitary Engineer's Office. Bi-annual payments are made to the County on this loan for the Sanitary Sewer Line to Fire Station #1. In 2019, the Township issued a Revenue Anticipation Note in the amount totaling \$500,000. This Revenue Anticipation Note was retired in the same year.

**AUSTINTOWN TOWNSHIP  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019  
(Continued)**

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

Year ending December 31:	OPWC SR 46 Sanitary Loan	Communications Equipment Note
2020	\$3,047	\$119,063
2021	3,047	71,402
2022	3,047	71,373
2023	3,047	71,272
2024	3,047	71,103
2025-2029	15,235	210,605
2030-2034	6,093	
Total	<u>\$36,563</u>	<u>\$614,818</u>

**6. RETIREMENT SYSTEMS**

The Township’s certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Full-time Police Officers and other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans’ benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2019, OP&F participants contributed 12.25% of their wages and the Township contributed to OP&F an amount equal to 24% of full-time fire fighters’ wages. For 2019, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants’ gross salaries. For 2019 OPERS law enforcement members contributed 13% of their gross salaries and the Township contributed an amount equaling 18.1% of participants’ gross salaries. The Township has paid all contributions required through December 31, 2019.

**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.

**AUSTINTOWN TOWNSHIP  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019  
(Continued)**

Casualty and Property Coverage

The Pool uses reinsurance and excess risk sharing arrangements to reduce its exposure to loss. These agreements permit recovery of a portion of its claims from reinsurers and a risk sharing pool; however, they do not discharge the Pool's primary liability for such payments. The Pool is a member of American Public Entity Excess Pool (APEEP), which, like OTARMA, is administered by York Risk Pooling Services, Inc. (York). APEEP provides the Pool with an excess risk sharing program. Under this arrangement, the Pool retains insured risks up to an amount specified in the contracts. (At December 31, 2018 the Pool retained \$350,000 for casualty claims and \$250,000 for property claims). The Board of Directors and York periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain. As a result of this risk analysis, OTARMA has elected to increase its retention for casualty claims to \$500,000 effective January 1, 2019.

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, 2018.

	<b>2018</b>
Assets	\$41,593,920
Liabilities	8,700,787
Net Position	\$32,893,133

At December 31, 2018 the liabilities above include approximately \$8.0 million of estimated incurred claims payable. The assets above also include approximately \$7.2 million of unpaid claims to be billed to approximately 1,018 member governments in the future, as of December 31, 2018. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2018, the Township's share of these unpaid claims collectible in future years is approximately \$42,000.

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.

<b><u>2017 Contributions to OTARMA</u></b>
\$101,612



**AUSTINTOWN TOWNSHIP  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019  
(Continued)**

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. CONTINGENT LIABILITIES**

The Township is one of about 40 Intervening Parties in the Court of Common Pleas of Stark County, Case No. 2017 CV 01438, concerning money owed to the defendants pursuant to the Township's self-insured group medical coverage from July 1, 2014 through December 31, 2017. Management believes, pursuant to a settlement agreement, that the liability in this suit is limited to \$287,898 with \$275,039 paid in 2018 thereby leaving a balance payable in 2020 of \$12,859.

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor, principally the federal government. 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.

**9. JOINTLY GOVERNED ORGANIZATIONS**

**ABC Water and Storm Water District** – Austintown Township participates in a jointly governed water district with Boardman Township and the City of Canfield. The district formed in 2010 with the intent to sell water to other nearby communities.

**Austintown – Boardman – Mahoning County Joint Communications District** was established pursuant to Chapter 167 of the Ohio Revised Code. This is a successor COG to the Austintown-Boardman Joint Communications District.

**10. SUBSEQUENT EVENTS**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. In addition, the impact on the Township's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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**AUSTINTOWN TOWNSHIP  
MAHONING COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	General	Special Revenue	Capital Projects	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$938,291	\$8,223,907			\$9,162,198
Charges for Services		195,098			195,098
Licenses, Permits and Fees	310,905	74,367			385,272
Fines and Forfeitures	28,573	48,320			76,893
Intergovernmental	1,148,851	2,153,548	\$247,183		3,549,582
Special Assessments			125,476		125,476
Earnings on Investments	8,354	767		\$13	9,134
Miscellaneous	44,933	577,634			622,567
<i>Total Cash Receipts</i>	<u>2,479,907</u>	<u>11,273,641</u>	<u>372,659</u>	<u>13</u>	<u>14,126,220</u>
<b>Cash Disbursements</b>					
Current:					
General Government	868,250	266,822	4,170		1,139,242
Public Safety	4,601	8,890,311			8,894,912
Public Works		2,028,438			2,028,438
Health	184,338	24,308			208,646
Human Services		330,073			330,073
Conservation-Recreation		393,127			393,127
Capital Outlay	5,589	476,321	542,959		1,024,869
Debt Service:					
Principal Retirement		1,523	51,000		52,523
Interest and Fiscal Charges			20,073		20,073
<i>Total Cash Disbursements</i>	<u>1,062,778</u>	<u>12,410,923</u>	<u>618,202</u>	<u>0</u>	<u>14,091,903</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,417,129</u>	<u>(1,137,282)</u>	<u>(245,543)</u>	<u>13</u>	<u>34,317</u>
<b>Other Financing Receipts (Disbursements)</b>					
Sale of Capital Assets	2	6,879			6,881
Transfers In		788,499	359,093		1,147,592
Transfers Out	(1,879,356)				(1,879,356)
Advances In	2,097,000	1,027,000	65,000		3,189,000
Advances Out	(2,097,000)	(1,027,000)	(65,000)		(3,189,000)
Other Financing Sources	167,715				167,715
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(1,711,639)</u>	<u>795,378</u>	<u>359,093</u>	<u>0</u>	<u>(557,168)</u>
<i>Net Change in Fund Cash Balances</i>	<u>(294,510)</u>	<u>(341,904)</u>	<u>113,550</u>	<u>13</u>	<u>(522,851)</u>
<i>Fund Cash Balances, January 1</i>	<u>1,227,468</u>	<u>1,370,610</u>	<u>58,933</u>	<u>4,593</u>	<u>2,661,604</u>
<b>Fund Cash Balances, December 31</b>					
Nonspendable				4,606	4,606
Restricted		1,028,706	172,483		1,201,189
Assigned	360,000	0	0	0	360,000
Unassigned (Deficit)	572,958				572,958
<i>Fund Cash Balances, December 31</i>	<u>\$932,958</u>	<u>\$1,028,706</u>	<u>\$172,483</u>	<u>\$4,606</u>	<u>\$2,138,753</u>

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

**AUSTINTOWN TOWNSHIP  
MAHONING COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Proprietary Fund Types		Fiduciary Fund Types	Totals
	Enterprise	Internal Service	Agency	(Memorandum Only)
<b>Operating Cash Receipts</b>				
Miscellaneous	\$214,520	\$571,121		\$785,641
<i>Total Operating Cash Receipts</i>	<u>214,520</u>	<u>571,121</u>	<u>0</u>	<u>785,641</u>
<b>Operating Cash Disbursements</b>				
Salaries	2,397	878,539		880,936
Employee Fringe Benefits	366	510,501		510,867
Purchased Services	45,387	14,847		60,234
Supplies and Materials		7,277		7,277
Other	17,801	3,704	344,814	366,319
<i>Total Operating Cash Disbursements</i>	<u>65,951</u>	<u>1,414,868</u>	<u>344,814</u>	<u>1,825,633</u>
<i>Operating Income (Loss)</i>	<u>148,569</u>	<u>(843,747)</u>	<u>(344,814)</u>	<u>(1,039,992)</u>
<b>Non-Operating Receipts (Disbursements)</b>				
Intergovernmental		10,907		10,907
Miscellaneous Receipts	19	76,182	173,833	250,034
Capital Outlay	(4,760)	(18,067)		(22,827)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(4,741)</u>	<u>69,022</u>	<u>173,833</u>	<u>238,114</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	<u>143,828</u>	<u>(774,725)</u>	<u>(170,981)</u>	<u>(801,878)</u>
Transfers In		731,764		731,764
Advances In		1,005,000		1,005,000
Advances Out		(1,005,000)		(1,005,000)
<i>Net Change in Fund Cash Balances</i>	<u>143,828</u>	<u>(42,961)</u>	<u>(170,981)</u>	<u>(70,114)</u>
<i>Fund Cash Balances, January 1</i>	<u>453,865</u>	<u>94,295</u>	<u>371,771</u>	<u>919,931</u>
<i>Fund Cash Balances, December 31</i>	<u>\$597,693</u>	<u>\$51,334</u>	<u>\$200,790</u>	<u>\$849,817</u>

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

**AUSTINTOWN TOWNSHIP  
MAHONING 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 Austintown Township, Mahoning County, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides general services, road and bridge maintenance, cemetery maintenance, police and fire protection, park and recreation and zoning services.

The Township participates in two jointly governed organizations. Note 9 to the financial statements provides additional information for these entities. These organizations are:

Jointly Governed Organizations:

**ABC Water and Storm Water District** – Austintown Township participates in a jointly governed water district with Boardman Township and the City of Canfield. The district formed in 2010 with the intent to deal with both storm water flooding and potable water source issues.

**Austintown – Boardman – Mahoning County Joint Communications District** is the council of governments responsible for the joint radio-dispatch system shared by Austintown and Boardman Townships and Mahoning County. Austintown – Boardman – Mahoning County Joint Communications District was established pursuant to Chapter 167 of the Ohio Revised Code. This is a successor COG to the Austintown – Boardman Joint Communications District.

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 permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**C. Deposits and Investments**

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

Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report. Certificates of Deposit are recorded at cost on the date purchased.

**AUSTINTOWN TOWNSHIP  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018  
(Continued)**

**D. Fund Accounting**

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

**1. General Fund**

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

**2. Special Revenue Funds**

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

Police District Fund - This fund receives property tax money to provide police protection for Township residents.

Fire District Fund - This fund receives property tax money to provide fire protection for Township residents.

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

Park Fund - This fund receives property tax money for maintaining Township parks.

**3. 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 funds:

Lighting District – Special Assessments are used to maintain Township lights.

Communications Equipment Fund – A joint communications district was established with Boardman Township and Mahoning County to provide communications equipment, personnel and services to the District. This fund received debt proceeds for equipment purchases.

**4. Permanent Funds**

These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting Township's programs (for the benefit of the township or its citizenry). The Township had the following significant permanent fund:

Cemetery Bequests Fund – This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of specific family plots/graves within the Township's cemeteries.

**AUSTINTOWN TOWNSHIP  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018  
(Continued)**

**5. Enterprise Fund**

This fund accounts for any activity for which a fee is charged to external users for goods or services. The Township has one enterprise fund:

Westchester Building Fund – This fund collects rental income from the building to be used for Parks and Recreation.

**6. Internal Service Fund**

This fund accounts for services provided by one department to other departments of the township unit. The Township had the following Internal Service Funds:

Communications Fund – This fund receives reimbursements from other funds to pay for the operation of the Fire and Police Dispatch which also services 911 and the entire phone system for the Township.

Maintenance Fund – This fund receives reimbursements from other funds based on the department utilization to pay for the maintenance of Township vehicles and equipment.

**7. Fiduciary Funds**

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

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Township disburses these funds as directed by the individual, organization or other government. The Township's agency funds account for Unclaimed Monies and Custodial Holdings such as fire loss insurance proceeds and Task Force forfeiture pending monies.

**E. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund 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.

**2. Estimated Resources**

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

**AUSTINTOWN TOWNSHIP  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018  
(Continued)**

**3. 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 2018 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.



**AUSTINTOWN TOWNSHIP  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018  
(Continued)**

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

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

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

**H. Accumulated Leave**

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

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

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

	<u>2018</u>
Demand deposits	<u>\$2,385,462</u>
Other time deposits (savings and NOW accounts)	<u>273,333</u>
Total deposits	<u>2,658,795</u>
Repurchase agreement	<u>329,775</u>
Total investments	<u>329,775</u>
Total deposits and investments	<u>\$2,988,570</u>

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

**Investments:** The Township's investments are limited to Sweep Repurchase Agreements.

The Township's financial institution transfers securities to the Township's agent to collateralize repurchase agreements. The securities are not in the Township's name.

**AUSTINTOWN TOWNSHIP  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018  
(Continued)**

**3. BUDGETARY ACTIVITY**

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

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,644,120	\$2,647,624	\$3,504
Special Revenue	12,198,316	12,069,019	(129,297)
Capital Projects	723,883	731,752	7,869
Permanent	2,951	13	(2,938)
Enterprise	0	214,539	214,539
Internal Service	1,359,317	1,389,974	30,657
Fiduciary	0	173,833	173,833
Total	\$16,928,587	\$17,226,754	\$298,167

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,030,765	\$2,972,013	\$58,752
Special Revenue	13,366,944	12,525,612	841,332
Capital Projects	640,902	618,202	22,700
Permanent	0	0	0
Enterprise	450,000	70,711	379,289
Internal Service	1,453,611	1,441,223	12,388
Fiduciary	370,651	344,814	25,837
Total	\$19,312,873	\$17,972,575	\$1,340,298

**4. PROPERTY TAX**

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

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

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

**AUSTINTOWN TOWNSHIP  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018  
(Continued)**

**5. DEBT**

Debt outstanding at December 31, 2018 was as follows:

	Principal	Interest Rate
OPWC SR 46 Sanitary Loan	\$39,610	0%
Communications Equipment Note	548,000	3.50%
Total	\$587,610	

The Township issued the Communications Equipment Note to finance the purchase of communication equipment for the Township's 911 system. The Township also has an OPWC Loan through the Mahoning County Sanitary Engineer's Office. Bi-annual payments are made to the County on this loan for the Sanitary Sewer Line to Fire Station #1.

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

Year ending December 31:	OPWC SR 46 Sanitary Loan	Communications Equipment Note
2019	\$3,047	\$71,252
2020	3,047	71,362
2021	3,047	71,402
2022	3,047	71,372
2023	3,047	71,272
2024 - 2028	15,235	281,707
2029 - 2033	9,140	
Total	\$39,610	\$638,367

**6. RETIREMENT SYSTEMS**

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

The Ohio Revised Code also prescribes contribution rates. For 2018, OP&F participants contributed 12.25% of their wages and the Township contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. 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.

**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.

**AUSTINTOWN TOWNSHIP  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018  
(Continued)**

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.

	<b>2017</b>
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 \$42,000.

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.

<b>2018 Contributions to OTARMA</b>
\$99,214.

**AUSTINTOWN TOWNSHIP  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018  
(Continued)**

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. CONTINGENT LIABILITIES**

The Township is one of about 40 Intervening Parties in the Court of Common Pleas of Stark County, Case No. 2017 CV 01438, concerning money owed to the defendants pursuant to the Township's self-insured group medical coverage from July 1, 2014 through December 31, 2017. Although Management cannot determine the outcome of this suit, Management believes the resolution of this matter may result in a liability of up to \$485,000 with up to as much as \$250,000 payable in 2018 and the remainder in 2019.

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor, principally the federal government. 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.

**9. JOINTLY GOVERNED ORGANIZATIONS**

**ABC Water and Storm Water District** – Austintown Township participates in a jointly governed water district with Boardman Township and the City of Canfield. The district formed in 2010 with the intent to sell water to other nearby communities.

**Austintown – Boardman – Mahoning County Joint Communications District** was established pursuant to Chapter 167 of the Ohio Revised Code. This is a successor COG to the Austintown – Boardman Joint Communications District.

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700 Chase Tower  
Canton, Ohio 44702-1509  
(330) 438-0617 or (800) 443-9272  
EastRegion@ohioauditor.gov

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

Austintown Township  
Mahoning County  
82 Ohltown Road  
Youngstown, Ohio 44515

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 Austintown Township, Mahoning County, (the Township) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated November 23, 2020, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit and also noted the Township included a disclosure regarding the potential financial impact of COVID-19 and the ensuing emergency measures.

***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.

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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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



Keith Faber  
Auditor of State

Columbus, Ohio

November 23, 2020



# OHIO AUDITOR OF STATE KEITH FABER



**AUSTINTOWN TOWNSHIP**

**MAHONING 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 12/8/2020**

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](http://www.ohioauditor.gov)