



OHIO AUDITOR OF STATE
KEITH FABER



**AUSTINTOWN TOWNSHIP
MAHONING COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



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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 for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020, and related notes of Austintown Township, Mahoning County, Ohio (the Township).

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(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 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, 2020, and the respective changes in financial position thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020, and related notes of the Township, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 14 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

Other Matters

Our audit was conducted to opine on the financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the financial statements. We subjected this schedule to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2022, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

January 24, 2022

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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, 2020**

	General	Special Revenue	Capital Projects	Permanent	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$932,498	\$9,136,760			\$10,069,258
Charges for Services		312,995			312,995
Licenses, Permits and Fees	298,394	79,054			377,448
Fines and Forfeitures	14,761	102,170			116,931
Intergovernmental	623,880	4,664,414			5,288,294
Special Assessments			\$122,309		122,309
Earnings on Investments	5,644	882		\$6	6,532
Miscellaneous	44,195	616,796			660,991
<i>Total Cash Receipts</i>	<u>1,919,372</u>	<u>14,913,071</u>	<u>122,309</u>	<u>6</u>	<u>16,954,758</u>
Cash Disbursements					
Current:					
General Government	838,613	374,005	4,586		1,217,204
Public Safety	5,515	10,610,712			10,616,227
Public Works		1,925,272	1,249		1,926,521
Health	175,136	14,802			189,938
Human Services		263,366			263,366
Conservation-Recreation		368,050			368,050
Capital Outlay	7,932	684,226	120,710		812,868
Debt Service:					
Principal Retirement	385,000	318,047	55,000		758,047
Interest and Fiscal Charges	8,885	7,270	18,032		34,187
<i>Total Cash Disbursements</i>	<u>1,421,081</u>	<u>14,565,750</u>	<u>199,577</u>	<u>0</u>	<u>16,186,408</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>498,291</u>	<u>347,321</u>	<u>(77,268)</u>	<u>6</u>	<u>768,350</u>
Other Financing Receipts (Disbursements)					
Sale of Notes	384,999	315,000			699,999
Sale of Capital Assets		500			500
Transfers In		290,000	73,032		363,032
Transfers Out	(643,332)				(643,332)
Advances In	1,559,000	649,000	30,000		2,238,000
Advances Out	(1,359,000)	(649,000)	(30,000)		(2,038,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(58,333)</u>	<u>605,500</u>	<u>73,032</u>	<u>0</u>	<u>620,199</u>
<i>Net Change in Fund Cash Balances</i>	439,958	952,821	(4,236)	6	1,388,549
<i>Fund Cash Balances, January 1</i>	<u>444,915</u>	<u>1,142,435</u>	<u>30,045</u>	<u>4,629</u>	<u>1,622,024</u>
<i>Fund Cash Balances, December 31</i>	<u>\$884,873</u>	<u>\$2,095,256</u>	<u>\$25,809</u>	<u>\$4,635</u>	<u>\$3,010,573</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 FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Proprietary Fund Types</u>		<u>Totals</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>(Memorandum Only)</u>
Operating Cash Receipts			
Miscellaneous	\$145,593	\$1,156,544	\$1,302,137
<i>Total Operating Cash Receipts</i>	<u>145,593</u>	<u>1,156,544</u>	<u>1,302,137</u>
Operating Cash Disbursements			
Salaries		474,115	474,115
Employee Fringe Benefits		323,543	323,543
Purchased Services	32,664	61,891	94,555
Supplies and Materials		8,441	8,441
Other	25,105	8,786	33,891
<i>Total Operating Cash Disbursements</i>	<u>57,769</u>	<u>876,776</u>	<u>934,545</u>
<i>Operating Income (Loss)</i>	<u>87,824</u>	<u>279,768</u>	<u>367,592</u>
Non-Operating Receipts (Disbursements)			
Intergovernmental		579,179	579,179
Miscellaneous Receipts		60,772	60,772
Capital Outlay	(70,893)	(9,224)	(80,117)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(70,893)</u>	<u>630,727</u>	<u>559,834</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	16,931	910,495	927,426
Transfers In		280,300	280,300
Advances In		680,000	680,000
Advances Out		(880,000)	(880,000)
<i>Net Change in Fund Cash Balances</i>	16,931	990,795	1,007,726
<i>Fund Cash Balances, January 1</i>	<u>505,906</u>	<u>8,523</u>	<u>514,429</u>
<i>Fund Cash Balances, December 31</i>	<u>\$522,837</u>	<u>\$999,318</u>	<u>\$1,522,155</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 FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Fiduciary Fund Types	Totals
	Custodial	
	Other Custodial	(Memorandum Only)
Deductions		
Distributions as Fiscal Agent	\$52,428	\$52,428
<i>Total Deductions</i>	52,428	52,428
<i>Net Change in Fund Balances</i>	(52,428)	(52,428)
<i>Fund Cash Balances, January 1</i>	230,946	230,946
<i>Fund Cash Balances, December 31</i>	\$178,518	\$178,518

See accompanying notes to the basic financial statements

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Austintown Township
Mahoning County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 1 – Reporting 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 road and bridge maintenance, cemetery maintenance, police and fire protection, park and recreation and zoning services.

Jointly Governed Organizations

The Township participates in two jointly governed organizations. Notes 12 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, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all 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:

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

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

Road and Bridge Fund The road and bridge fund receives property tax money for constructing, maintaining and repairing Township roads.

Park Fund The park fund receives property tax money for maintaining Township parks.

Austintown Township
Mahoning County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Senior Center Fund The senior center fund receives property tax money for operating the Senior Center.

Covid-19 Fund The Township received Covid-19 money from Mahoning County to help the Township through the pandemic.

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 Fund The township received special assessments 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.

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 government's programs (for the benefit of the government or its citizenry). The Township had the following significant permanent fund:

Cemetery Bequests Fund The cemetery bequests fund accounts for and reports 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.

Enterprise Funds This fund accounts for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges.

Westchester Building Fund This fund collects rental income from the building to be used for parks and recreation purposes.

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

Communications Fund This fund receives reimbursements from other funds to pay for the operation of the Fire and Police Dispatch which also services Emergency 911 operations.

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

Fiduciary Funds Fiduciary funds include custodial funds.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Township's custodial funds account for unclaimed monies, custodial holdings such as fire loss insurance proceeds.

Austintown Township
Mahoning County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

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

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

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

Encumbrances The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2020 budgetary activity appears in Note 4.

Deposits and Investments

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

Money market mutual funds are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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.

Austintown Township
Mahoning County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Fund Balance

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

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

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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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

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

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

Note 3 – Compliance

Contrary to Ohio law, appropriations exceeded certified resources in the Road & Bridge fund and the Communications fund by \$100,616 and \$655,335, respectively for the year ended December 31, 2020.

Note 4 – Budgetary Activity

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

Austintown Township
Mahoning County
Notes to the Financial Statements
For the Year Ended December 31, 2020

2020 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,289,231	\$2,304,371	\$15,140
Special Revenue	15,403,362	15,518,571	115,209
Capital Projects	195,342	195,341	(1)
Internal Service	1,074,728	2,076,795	1,002,067
Permanent	0	6	6
Enterprise	91,592	145,593	54,001
Total	\$19,054,255	\$20,240,677	\$1,186,422

2020 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,160,363	\$2,092,835	\$67,528
Special Revenue	15,917,655	14,783,746	1,133,909
Capital Projects	352,594	199,577	153,017
Internal Service	1,740,770	900,565	840,205
Enterprise	300,000	137,342	162,658
Total	\$20,471,382	\$18,114,065	\$2,357,317

Note 5 – Deposits and Investments

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

	2020
<i>Cash Management Pool:</i>	
Demand deposits	\$1,155,967
Other time deposits (savings and NOW accounts)	929,601
Total deposits	2,085,568
Repurchase agreement	2,625,678
Total investments	2,625,678
<i>Total carrying amount of deposits and investments held in the Pool (ties to FS)</i>	\$4,711,246

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or 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 institution.

Investments

The Township’s investments are limited to a Sweep Repurchase Agreement.

Austintown Township
Mahoning County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 6 – Property Taxes

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

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 7 – Risk Management

Workers' Compensation

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

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

Austintown Township
Mahoning County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 8 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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 2020, 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 2020 OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants’ gross salaries. For 2020 OPERS law enforcement members contributed 13% of their gross salaries and the Township contributed an amount equaling 18.1% of participants’ gross salaries. The Township has paid all contributions required through December 31, 2020.

Note 9 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2020. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Note 10 – Debt

Debt outstanding at December 31, 2020, was as follows:

	Principal	Interest Rate
OPWC SR 46 Sanitary Loan	\$33,517	0%
Communications Equipment Note	487,700	3.50%
2020 Freightliner/International	110,678	4.50%
Total	\$631,895	

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.

The Township issued and repaid Revenue Anticipation Notes (RAN) in the amount of \$700,000 during 2020 to be used for general operations.

Austintown Township
Mahoning County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Leases

The Township entered into a lease purchase agreement for the 2020 Freightliner and 2020 International dump trucks with plows for the road department. The Township disbursed \$30,919 to pay lease costs for the year ended December 31, 2020.

Amortization

Amortization of the above debt, including interest, is scheduled as follows:
2020

Year Ending December 31:	Freightliner / International	Communications Equipment Note	OPWC SR 46 Sanitary Loan
2021	\$30,919	\$119,103	\$3,047
2022	30,919	71,372	3,047
2023	30,919	71,273	3,047
2024	30,919	71,102	3,047
2025		70,863	3,047
2026-2030		139,425	15,235
2031-2032			3,047
Total	\$123,676	\$543,138	\$33,517

Note 11 – 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 \$287,897.95 with \$275,039.30 paid in 2018 thereby leaving a balance payable in 2020 of \$12,858.65.

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.

Note 12 – Jointly Governed Organizations

ABC Water and Storm Water District – Austintown Township participates in a jointly governed water district with Boardman Township and Canfield Township. 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.

Austintown Township
Mahoning County
Notes to the Financial Statements
For the Year Ended December 31, 2020

Note 13 – Fund Balances

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

Fund Balances	General	Special Revenue	Capital Projects	Permanent	Total
Nonspendable:					
Unclaimed Monies				\$5,521	\$5,521
Corpus				4,000	4,000
Outstanding Encumbrances	28,422	217,996	1,190		247,608
Total	\$28,422	\$217,996	\$1,190	\$9,521	\$257,129

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

Note 14 – COVID-19

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

During 2020, the Township received \$1,861,697 as an on-behalf of grant from another government. These amounts are recorded in the Coronavirus Relief Special Revenue Fund. Of the amounts received, \$39,000 was sub-granted to Austintown Local School District.

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**AUSTINTOWN TOWNSHIP
MAHONING COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Provided Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF TREASURY			
<i>Passed Through Mahoning County Commissioners:</i>			
Covid-19 CARES Act Funding	21.019	\$39,000	\$1,861,697
Total U.S. Department of Treasury		39,000	1,861,697
U.S. DEPARTMENT OF JUSTICE			
<i>Passed Through Ohio Office of Criminal Justice Services</i>			
COPS Grant	16.710		\$15,692
COPS Grant	16.710		\$15,876
Total COPS Grant			\$31,568
<i>Passed Through Ohio Office of Criminal Justice Services</i>			
911 Dispatch Center Upgrades	16.738		\$17,528
Dispatching Server Upgrade	16.738		\$19,800
Total Dispatch Upgrades			\$37,328
Total U.S. Department of Justice			68,896
Total Federal Award Expenditures		\$ 39,000	\$ 1,930,593

The accompanying notes are an integral part of this schedule.

**AUSTINTOWN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Austintown Township (the Township's) under programs of the federal government for the year ended December 31, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Township, it is not intended to and does not present the financial position or changes in net position of the Township.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Township has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - SUBRECIPIENTS

The Township passes certain federal awards received from Mahoning County to other governments or not-for-profit agencies (subrecipients). As Note B describes, the Township reports expenditures of Federal awards to subrecipients when paid in cash.

As a pass through entity, the Township has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

OHIO AUDITOR OF STATE KEITH FABER



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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

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 the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020, and related notes of Austintown Township, Mahoning County, (the Township) and have issued our report thereon dated January 24, 2022, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Township.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our 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 financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under Government Auditing Standards.

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

January 24, 2022



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Austintown Township
Mahoning County
82 Ohltown Road
Youngstown, Ohio 44515

To the Board of Trustees:

Report on Compliance for the Major Federal Program

We have audited Austintown Township's (the Township) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect Austintown Township's major federal program for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Township's major federal program.

Management's Responsibility

The Township's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the Township's compliance for the Township's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Township's major program. However, our audit does not provide a legal determination of the Township's compliance.

Opinion on the Major Federal Program

In our opinion, Austintown Township complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

The Township's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Township's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Township's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

January 24, 2022

**AUSTINTOWN TOWNSHIP
MAHONING COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020**

1. SUMMARY OF AUDITOR'S RESULTS
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<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Dual Opinion – Unmodified under Regulatory Basis/ Adverse under GAAP
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Covid-19 Cares Act Funding - (CFDA # 21.019)
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None

4. OTHER – FINDINGS FOR RECOVERY

We identified the following other issue related to Findings for Recovery. This issue did not impact our GAGAS or Single Audit Compliance and Controls reports.

FINDING NUMBER 2020-001

Finding for Recovery Repaid Under Audit

Ohio Rev. Code §§ 505.24(A)(8) and 505.24(B) provide that in a Township having a budget of more than ten million dollars, a Trustee for 2020 is to be paid \$117.38 daily and for not more than 200 days, which equates to a maximum amount of \$23,476 annually.

Newly-elected trustee Steven Kent was entitled to a maximum annual compensation of twenty three thousand four hundred and seventy six dollars (\$23,476) for 2020. He was inadvertently paid twenty five thousand eight hundred and twenty four dollars (\$25,824). This resulted in an overpayment of two thousand three hundred and forty eight dollars (\$2,348).

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Township Trustee Steve Kent and in favor of Austintown Township's General fund in the amount of \$2,348. His bonding company, Ohio Township Association Risk Management Authority, is jointly and severally liable in the amount of \$2,348.

Upon discovery of the overpayment, Trustee Steven Kent repaid the amount on August 20, 2021. As such, this constitutes a Finding for Recovery Repaid Under Audit.

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 3/1/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov