



**CANFIELD TOWNSHIP
MAHONING COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2019 - 2018**

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KEITH FABER



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Board of Township Trustees
Canfield Township
21 South Broad Street
Canfield, Ohio 44406

We have reviewed the *Independent Auditor's Report* of Canfield Township, Mahoning County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2018 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

September 14, 2021

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**CANFIELD TOWNSHIP
MAHONING COUNTY**

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INDEPENDENT AUDITOR'S REPORT

July 19, 2021

Canfield Township
Mahoning County
21 S. Broad Street
Canfield, Ohio 44406

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying modified cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Canfield Township**, Mahoning County, Ohio (the Township), as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the modified cash accounting basis Note 2 describes. This responsibility includes determining that the modified cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Canfield Township, Mahoning County as of December 31, 2019 and 2018, and the respective changes in modified cash financial position and the respective budgetary comparisons for the General and Road District Funds thereof for the years then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the modified cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Emphasis of Matter

As discussed in Note 16 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 Matters

Other Information

We applied no procedures to management's discussion & analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 19, 2021, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



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

Canfield Township
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

This discussion and analysis of Canfield Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2019, within the limitations of the Township's modified cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Government's financial performance.

Highlights

Key highlights for 2019 are as follows:

The Township's general receipts are primarily property taxes that represent generally about 50 percent of the total cash received for governmental activities during the year. The total of all property tax receipts of all funds for 2019 were \$854,881 and in 2018 were \$833,992 that represents an increase of \$20,889. Total revenues received in 2019 were \$2,052,155.

Lodging tax collections for 2019 were \$125,855 and 2018 were \$137,557 that represents a decrease of \$11,702 that is included in all taxes collected.

The net position of governmental activities changed to \$4,717,905 in 2019 from \$4,530,632 at the end of 2018 that represents a fund balance increase of \$187,273. The Township's investment program has yield well. The total interest received in 2019 was \$101,007 and in 2018 was \$80,563 representing an increase over 2018 of \$20,444.

General:

Canfield Community Joint Economic Development District (JEDD) –

(Windsor House JEDD): The Windsor House of Canfield, a skilled nursing facility, located at 6445 State Route 446 is the first JEDD in Mahoning County operating since 2016. It has brought economic development and employment opportunities, as well as much needed services to the residents of Canfield.

During the third quarter meeting on September 18, 2019, there was discussion to amend the existing Windsor House JEDD to include an additional 5.5 acres.

(Millennial Moments JEDD): Since June of 2017 the City of Canfield, Canfield Township and the owners of the property formerly known as Bitonte-Lanterman have been negotiating terms of a JEDD Agreement. This project now known as "Millennial Moments JEDD" is located at the intersection of St. Route 224 and Palmyra Road, comprising approximately 111 acres. This JEDD will benefit the City since it will be able to collect a 1% income tax from all residents and workers of this development without annexing the property. The Township's advantage is that it does not lose prime development land and shall collect the property taxes; the property owners receive water and sanitary services from the City while the Township provides road maintenance services and police protection.

The Township and City will provide these improvements and governmental services as contributions to the district in order to advance the economic development of the Millennial Moments JEDD. On August 14, 2018, the Board of Canfield Township Trustees passed Resolution 2018-8-14-106 approving the Execution of a Joint Economic Development District Agreement (JEDD) R.C. 715.72 by and between the Township of Canfield and the City of Canfield. The Board passed this resolution unanimously because it determined that the creation of the JEDD Territory pursuant to the JEDD Agreement will facilitate economic development, will create and preserve jobs and employment opportunities and will benefit the economic welfare of the residents of the Township.

Canfield Township
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

Annexation Activity - As part of the JEDD negotiation the City tied the annexation of the Red Gate Farm located at South Palmyra and Leffingwell Roads, which is comprised of 290 acres in the Township. The City of Canfield purchased this property in May of 2003, but had not sought to annex it until negotiations for the Millennial Moments JEDD began.

Through negotiations the Township was able to secure buffer and landscaping provisions and City water and sanitary services if necessary for residents adjacent to the Red Gate property, as well as zoning to restrict the portion of Red Gate south of Leffingwell Road to single-family residential with a minimum of 1-acre lots. Additionally the Township will continue to receive the real estate property taxes after annexation.

Joint Economic Development (JEDD) Mixed Use Overlay Zoning District - To further overall JEDD development it was necessary for the Canfield Board of Trustees to adopt a zoning amendment to incorporate certain development options or alternatives applicable to territory within a JEDD to establish a Joint Economic Development Mixed Use Overlay JEDD Zoning District. Additionally they established an Architectural Design Standards for the Mixed Use Overlay JEDD Zoning District, by resolution on February 9, 2018.

The JEDD Mixed Use Overlay Zoning provides a variety of retail and business opportunities including the following permitted uses:

- Churches and other related religious institutions, public schools, educational institutions, publicly owned buildings and public parks or playgrounds
- Stores, shops, business or retail offices not exceeding 70,000 sq. ft. in floor area
- Restaurants both sit down and fast food types
- Motels and Hotels
- Professional offices including doctors, insurance agents, tax preparation services, real estate agents, or other similar uses
- Automobile/motorcycle dealerships
- Theatres, both movie and performance oriented
- Stone or monument works
- Service Garages and gas stations (not including Truck stops)
- Laundries, Laundromat, or dyeing and cleaning works with not more than ten (10) employees in these processes
- Indoor Kennels
- Similar commercial uses to those listed above that are determined by the discretion of Canfield Township to be substantially similar in nature, consistent with the purpose and intent of this district, compatible with the surrounding land uses, and not detrimental by way of increased traffic or intensity.

ABC Water and Stormwater District (ABC Water) –A Stormwater Utility Fee was implemented on January 1, 2019, which is collected from Canfield Township residents and businesses and distributed twice yearly by the Mahoning County Auditor's Office; deposited into the ABC Water and Stormwater District account and specially earmarked to assist Canfield Township in infrastructure and storm water projects.

Canfield Township received revenue from ABC Water as follows:

- The Township received a total of \$113,075.77 for various infrastructure/stormwater projects such as Briarwood Court, Catawba Drive, Fairway Drive, Indian Run Drive, and Pheasant Run Drive.
- During the formation of the District, the Township financially supported ABC Water for a total of \$127,227 to cover engineering and legal fees from 2008-2018. The ABC Water District paid Canfield Township \$25,000 in December 2019 - first payment to the Township and agreed to pay in increments of \$20,000 annually until repaid.
- The balance of funds collected in 2019 covered staffing expenses, legal and engineering fees.

Canfield Township
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

Sheriff's Contract – The Township contracted with the Mahoning County Sheriff's Department for which they provide, but not limited to deputies, equipment, detectives, investigative services, traffic patrols, and other police assistance typically performed by a Township Police Department. The Board entered into a two-year contractual agreement on April 9, 2019 by Resolution #2019-04-09-80 retroactive to January 1, 2019 with the Mahoning County Sheriff's Department. The cost for 2019 was \$300,000 and in 2018 were \$297,500. The Sheriff's Contract remains the largest expenditure paid from the General Fund in 2019.

Healthcare Insurance – The Township has a high deductible healthcare policy/part self-insured with a maximum exposure of \$110,000 for 2019. The actual expenditure in 2019 was \$52,757 and in 2018 was \$89,135. The Public Works Department has International Brotherhood of Teamsters Local #377 healthcare coverage. Total expenditures for the Public Works Department were \$30,000 that brings the total healthcare cost for the Township to \$82,757 in 2019.

School Resource Officer (SRO) – The Board entered into a five-year agreement in August 2018. The City of Canfield shall cover one-half of 75% of the costs for one officer for performance of its obligations pursuant to the SRO Agreement with a maximum cost exposure increase to the Township of 2% per year for the remaining four years. The cost was \$32,188 in 2019. The City of Canfield and Canfield Township will pursue negotiations with Canfield Local Schools in sharing the cost of the SRO to reduce the financial obligation to the City of Canfield and the Township while providing the same level of protection to the school community.

Canfield Township Community Park - During 2019, the Township secured grants for a proposed bike trail to be known as The Robert and Maxine Memorial Bike Trail from the Ohio Department of Natural Resources for \$195,867 and the Transportation Alternatives Program for \$199,480 totaling \$395,347. Additionally, the Township has applied to the Heritage Ohio Capital Budget Grant for \$98,000 to assist in required wetland mitigation. The proposed bike trail shall start at the Canfield Township Community Park heading south crossing the Neff Family Farm heading then east crossing the Mahoning County Career and Technical Center's property to connect to the MetroPark's Bike Trail.

The Township collect rental fees for use of the park facilities and has a signed annual storage rental agreement with the Canfield Soccer Club for the multipurpose building storage area. The Township has collected in rental fees of \$2,994 in 2019, \$3,184 in 2018 and \$3,684 in 2017.

Dean Hill Cemetery – The Township has completed three phases of the first ever Headstone Restoration Program at Dean Hill Cemetery. The restoration cost in 2018 was \$1,500 and in 2017 was \$2,817 for headstone restoration. No work was done in 2019, but it is the intent to continue in the future. The Township has a second cemetery in the Cornersburg area that has an agreement with Austintown Township to maintain it. Austintown had not invoiced the Township for three years, but invoiced the Township in 2019 for the full balance of \$6,811.

Zoning Department – Although it continues to be a challenge due to the slow economy, decrease construction of single-family homes and lack of commercial development/construction, the Township continues strong in the number of homes and commercial permits processed within Mahoning County. The Zoning Department received \$70,294 in 2019, \$84,209 in 2018 and \$66,554 in 2017. Appeals fees received of \$7,150 in 2019, \$4,750 in 2018 and \$3,100 in 2017.

The Zoning Board of Commission has begun the process of formulating a new Land Use Plan. The Board entered into an agreement with CT Consultant to start the process in September of 2018 and was completed in 2019.

Donations of Funds – The Board approved the following community activities to receive donations from the General Fund in 2019. The Canfield Veteran's Museum received \$1,000; American Legion Post 177 received \$1,000; and Fourth of July Parade received \$4,000.

Canfield Township
Management's Discussion and Analysis
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Unaudited

Public Works Projects:

Salt Purchases – The Township participated in the State of Ohio's Salt Purchasing Program. The total paid for 2019 for road salt was \$64,092, 2018 was \$34,256 and 2017 was \$40,576. In order to balance the 2018 budget, the Board held the 2018-2019 season purchases until 2019.

The May 28, 2019 Flood Event – This flood event referred to as a 500 year rain caused damage to Fairway Drive and Pheasant Run Drive necessitating emergency repairs totaling \$92,592.59. The Township secured a grant through the Ohio Public Works Commission's (OPWC) Emergency Fund Program of \$50,000; \$38,918 from ABC Water and Stormwater District, and Canfield Township shared in the balance.

To help with flooding issues, ABC Water and the Township completed two projects within the Indian Run Detention area by removing sediment that accumulated from the storm-causing blockage to the drainage way and second, the installation of a 56 lineal feet of 36" of storm sewer pipe for a total of \$38,500

2019 - Paving Program- the Township secured a grant for \$57,137 from the Ohio Public Works Commission (OPWC) to resurfaced Blue Heron Drive, Killdeer Drive and Leffingwell Court totaling 1.02 miles, for a total cost of \$163,248 with the Township share coming from the Public Works Fund of \$106,111.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's modified cash basis of accounting.

Report Components

The statement of net position and the statement of activities provide information about the cash activities of the Government as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Government as a way to segregate monies use, which is restricted to a particular or specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide, fund financial statements, provide expanded explanation, and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Government's modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

Because of using the modified cash basis of accounting, certain assets, and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the modified cash basis of accounting.

Reporting the Government as a Whole

The statement of net position and the statement of activities reflect how the Township did financially during 2019, within the limitations of modified cash basis accounting. The statement of net position presents the cash balances and investments of the governmental and business-type activities of the Government at year-end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the Government's general receipts.

These statements report the Government's cash position and the changes in cash position. Keeping in mind the limitations of the modified cash basis of accounting, you can think of these changes as one way to measure the Government's financial health. Over time, increases or decreases in the Government's cash position is one indicator of whether the Government's financial health is improving or deteriorating. When evaluating the Government's financial condition you should also consider other non-financial factors, such as:

- The Government's property tax base;
- The condition of the Government's capital assets and infrastructure;
- The extent of the Government's debt obligations;
- The reliance on non-local financial resources for operations;
- The need for continued growth in the major local revenue sources such as property taxes in the statement of net assets and the statement of activities.

Most of the Government's basic services reported in the statement of net position and the statement of activities includes streets and parks. Property taxes, state and federal grants finance most of these activities. The benefits provided through governmental activities are not necessarily paid for by the people receiving the benefits.

Reporting the Government's Most Significant Funds

Fund financial statements provide detailed information about the Government's major funds – not the Government as a whole. The Government establishes separate funds to manage its many activities and to help demonstrate there is restricted money and that it is being used for the intended purpose. The funds of the Government are split into three categories: governmental, proprietary and fiduciary.

Governmental Funds - Most of the Government's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Government's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Government's programs. The Government's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Government's only major governmental funds are the General and Road District Funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

Proprietary Funds –The Township has no Proprietary Funds.

Canfield Township
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the Township's programs. The Township has no Fiduciary Funds.

The Government as a Whole

Table 1 provides a summary of the net assets for 2019 compared to 2018 on a modified cash basis:

	Net Position	
	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Assets		
Cash and Cash Equivalents	\$ 1,369,644	\$ 1,216,017
Investments	3,348,261	3,314,615
Total Assets	<u>\$ 4,717,905</u>	<u>\$ 4,530,632</u>
Net Position		
Restricted for:		
Other Purposes	\$ 504,351	\$ 513,131
Unrestricted	4,213,554	4,017,501
Total Net Assets	<u>\$ 4,717,905</u>	<u>\$ 4,530,632</u>

As mentioned previously, the net position of governmental activities increased by \$187,273 or by 4.1 percent over 2018. The primary reasons contributing to the increase in the balance is interest earned and the start of the repayment from the ABC Water and Stormwater District.

Canfield Township
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

Table 2 reflects the changes in net assets on a cash basis in 2019 and 2018 for governmental activities.

Changes in Net Position	Governmental Activities	
	2019	2018
Program Receipts:		
Operating Grants and Contributions	\$ 145,308	\$ 119,795
Charges for Services and Sales	251,288	249,912
Total Program Receipts	<u>396,596</u>	<u>369,707</u>
General Receipts:		
Property Taxes	854,881	833,992
Other Taxes	239,062	249,914
Grants and Entitlements not Restricted to Specific Programs	310,237	283,250
Other Debt Proceeds	33,916	0
Cable Franchise Fees	68,105	65,643
Earnings on Investments	101,007	80,563
Miscellaneous	48,351	95,506
Total General Receipts	<u>1,655,559</u>	<u>1,608,868</u>
Total Receipts	<u>2,052,155</u>	<u>1,978,575</u>
Disbursements:		
General Government	408,220	436,686
Public Safety	310,332	306,422
Public Works	630,726	571,504
Health	110,582	106,398
Conservation/Recreation	32,458	14,150
Other	37,186	6,308
Capital Outlay	231,177	286,684
Debt Service		
Principal Retirement	99,431	118,319
Interest and Fiscal Charges	4,770	6,981
Total Disbursements	<u>1,864,882</u>	<u>1,853,452</u>
 Increase (Decrease) in Net Position	 187,273	 125,123
 Net Position, January 1	 4,530,632	 4,405,509
Net Position, December 31	<u>\$ 4,717,905</u>	<u>\$ 4,530,632</u>

General receipts – Property Taxes represent about 50 percent of the Government's total receipts. State and federal grants and entitlements and other receipts make up the balance of the Government's general receipts and are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represents the overhead cost of running the Township and the support services provided for other Township activities. These cost includes the Board of Trustees, the Fiscal Officer and the Administrator/Road Superintendent, since these costs do not represent direct services to residents, we try to limit them.

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for general government, public safety, and public works, which represent about 72 percent of all governmental disbursements. General government represents a significant cost. This "net cost" amount represents the cost of the service, which is paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement.

A comparison between the net cost of services is presented in Table 3.

Canfield Township
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

Governmental Activities

	Net Cost Of Services 2019	Net Cost Of Services 2018
General Government	\$ 325,288	\$ 347,727
Public Safety	243,591	243,421
Public Works	395,855	363,825
Health	101,524	99,514
Conservation/Recreation	29,464	10,966
Other	37,186	6,308
Capital Outlay	231,177	286,684
Debt Service:		
Principal Retirement	99,431	118,319
Interest and Fiscal Charges	4,770	6,981
Total Expenses	\$ 1,468,286	\$ 1,483,745

The dependence upon property tax receipts is apparent as over 50 percent of governmental activities are supported through these general receipts. Net cost of service decreased in 2019 by \$15,459 in comparison to 2018.

The Government's Funds

Total governmental funds had receipts of \$2,200,450 and disbursements of \$2,013,177. Revenues exceed expenditures by \$187,273. The greatest change within governmental funds occurred within the General Fund where earned interest increased and the fund received the beginning of the reimbursement from the ABC Water and Stormwater District.

The Township's budget is prepared according to Ohio law and based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. The General Fund ending balance in 2019 was \$4,213,554 and \$4,017,501 in 2018. Although the increase was not significant, the income sources are unpredictable and in fact, without these unpredictable revenue sources, such as the Lodging Tax and interest, the General Fund increase would have been much less.

The Government's Funds - Expenditures

The largest expenditures coming from the General Fund are the Sheriff's Contract at \$300,000; transfer out for \$148,295 and healthcare at \$52,757.

The Public Works Department is comprised of three full-time employees and one part-time employee during the regular work schedule. The Township also has two seasonal snowplow drivers. The Road Fund supports thirty percent of the Administrator/Road Superintendent's wages. Wages for the Public Works Department were as follows: 2019 \$194,200, 2018 \$195,981 and 2017 \$178,114. The fringe benefits included in the total wages for 2019 were \$11,968.

Canfield Township
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

Capital Assets and Debt Administration

Capital Assets

The Township does not currently keep track of its capital assets and infrastructure on electronic form but hard copy is available. The Public Works Department along with the Administrator have begun recording infrastructure electronically.

Debt

On December 31, 2019, the Township had outstanding debt of \$181,054, and in 2018 \$246,569 that represents a decrease of outstanding debt of \$65,515 over 2018.

Current Issues

The challenge for all Townships is to provide quality services to the public while staying within the restrictions imposed by limitations, and in some cases shrinking, funding. The Township relies heavily on local taxes and has very little industry to support the base. The Township's first JEDD will provide a modest increase in property taxes next year. The Local Government fund continues to decrease. The Board continues to review the revenues and disbursement history of the Township.

The Board has been concerned with low permit volume but has seen a turnaround in construction of single-family units as well as some commercial construction. Although the Board is aware that the Zoning Department needs closely watched, they feel confident that the Township will continue to lead Mahoning County in permit issuance.

Contacting the Government's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Direct questions concerning any of the information in this report or requests for additional information to Denise Joseph, Fiscal Officer, Canfield Township, Mahoning County, at 21 South Broad St., Canfield, Ohio 44406 – 330-533-4239.

Canfield Township, Mahoning County
Statement of Net Position - Modified Cash Basis
December 31, 2019

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 1,369,644
Investments	<u>3,348,261</u>
<i>Total Assets</i>	<u><u>\$ 4,717,905</u></u>
Net Position	
Restricted for:	
Other Purposes	\$ 504,351
Unrestricted	<u>4,213,554</u>
<i>Total Net Position</i>	<u><u>\$ 4,717,905</u></u>

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

Canfield Township, Mahoning County
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2019

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Primary Government
				Governmental Activities
Governmental Activities				
Current:				
General Government	\$ 408,220	\$ 82,932	\$ -	\$ (325,288)
Public Safety	310,332	66,741	-	(243,591)
Public Works	630,726	89,563	145,308	(395,855)
Health	110,582	9,058	-	(101,524)
Conservation - Recreation	32,458	2,994	-	(29,464)
Other	37,186	-	-	(37,186)
Capital Outlay	231,177	-	-	(231,177)
Debt Service				
Principal Retirement	99,431	-	-	(99,431)
Interest and Fiscal Charges	4,770	-	-	(4,770)
<i>Total Governmental Activities</i>	<u>1,864,882</u>	<u>251,288</u>	<u>145,308</u>	<u>(1,468,286)</u>
Total	<u>\$ 1,864,882</u>	<u>\$ 251,288</u>	<u>\$ 145,308</u>	<u>(1,468,286)</u>
		General Receipts		
				854,881
				239,062
				310,237
				33,916
				68,105
				101,007
				48,351
				<u>1,655,559</u>
				187,273
				<u>4,530,632</u>
				<u>\$ 4,717,905</u>

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

Canfield Township, Mahoning County
Statement of Assets and Fund Balances - Modified Cash Basis
Governmental Funds
December 31, 2019

	<u>General</u>	<u>Road District</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 865,293	\$ 19,983	\$ 484,368	\$ 1,369,644
Investments	3,348,261	-	-	3,348,261
<i>Total Assets</i>	<u>\$ 4,213,554</u>	<u>\$ 19,983</u>	<u>\$ 484,368</u>	<u>\$ 4,717,905</u>
Fund Balances, December 31				
Restricted	\$ -	\$ 19,983	\$ 484,368	\$ 504,351
Assigned	332,185	-	-	332,185
Unassigned	3,881,369	-	-	3,881,369
<i>Total Fund Balances</i>	<u>\$ 4,213,554</u>	<u>\$ 19,983</u>	<u>\$ 484,368</u>	<u>\$ 4,717,905</u>

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

Canfield Township, Mahoning County
Statement of Receipts, Disbursements and Changes in Fund Balances - Modified Cash Basis
Governmental Funds
For the Year Ended December 31, 2019

	General	Road District	Other Governmental Funds	Total Governmental Funds
Receipts				
Property and Other Local Taxes	\$ 800,050	\$ 164,567	\$ 88,900	\$ 1,053,517
Licenses, Permits and Fees	145,549	-	5,158	150,707
Fines and Forfeitures	5,488	-	-	5,488
Intergovernmental	278,823	21,832	284,379	585,034
Special Assessments	-	-	66,741	66,741
Earnings on Investments	97,503	-	3,504	101,007
Miscellaneous	17,826	360	37,559	55,745
<i>Total Receipts</i>	<u>1,345,239</u>	<u>186,759</u>	<u>486,241</u>	<u>2,018,239</u>
Disbursements				
Current:				
General Government	408,220	-	-	408,220
Public Safety	300,001	-	10,331	310,332
Public Works	66,343	247,246	317,137	630,726
Health	102,880	-	7,702	110,582
Conservation-Recreation	21,663	-	10,795	32,458
Other	-	-	30,458	30,458
Capital Outlay	34,429	41,316	155,432	231,177
Debt Service:				
Principal Retirement	58,884	40,547	-	99,431
Interest and Fiscal Charges	1,743	3,027	-	4,770
<i>Total Disbursements</i>	<u>994,163</u>	<u>332,136</u>	<u>531,855</u>	<u>1,858,154</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>351,076</u>	<u>(145,377)</u>	<u>(45,614)</u>	<u>160,085</u>
Other Financing Sources (Uses)				
Other Debt Proceeds	-	33,916	-	33,916
Transfers In	-	100,000	48,295	148,295
Transfers Out	(148,295)	-	-	(148,295)
Advances In	5,000	-	5,000	10,000
Advances Out	(5,000)	-	(5,000)	(10,000)
Other Financing Uses	(6,728)	-	-	(6,728)
<i>Total Other Financing Sources (Uses)</i>	<u>(155,023)</u>	<u>133,916</u>	<u>48,295</u>	<u>27,188</u>
<i>Net Change in Fund Balances</i>	196,053	(11,461)	2,681	187,273
<i>Fund Balances Beginning of Year</i>	<u>4,017,501</u>	<u>31,444</u>	<u>481,687</u>	<u>4,530,632</u>
<i>Fund Balances End of Year</i>	<u>\$ 4,213,554</u>	<u>\$ 19,983</u>	<u>\$ 484,368</u>	<u>\$ 4,717,905</u>

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

Canfield Township, Mahoning County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
1000 General Fund
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 799,548	\$ 789,547	\$ 800,050	\$ 10,503
Licenses, Permits and Fees	129,143	135,143	145,549	10,406
Fines and Forfeitures	-	5,000	5,488	488
Intergovernmental	135,213	135,126	278,823	143,697
Earnings on Investments	70,265	80,000	97,503	17,503
Miscellaneous	230,367	156,000	17,826	(138,174)
<i>Total Receipts</i>	<u>1,364,536</u>	<u>1,300,816</u>	<u>1,345,239</u>	<u>44,423</u>
Disbursements				
Current:				
General Government	569,000	437,318	408,220	29,098
Public Safety	300,000	300,000	300,001	(1)
Public Works	55,000	68,000	66,343	1,657
Health	107,000	104,000	102,880	1,120
Conservation-Recreation	275,955	21,900	21,663	237
Capital Outlay	100,000	60,032	34,429	25,603
Debt Service:				
Principal Retirement	59,500	59,000	58,884	116
Interest and Fiscal Charges	2,100	1,800	1,743	57
<i>Total Disbursements</i>	<u>1,468,555</u>	<u>1,052,050</u>	<u>994,163</u>	<u>57,887</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(104,019)</u>	<u>248,766</u>	<u>351,076</u>	<u>102,310</u>
Other Financing Sources (Uses)				
Transfers Out	(200,000)	(151,000)	(148,295)	2,705
Advances In	-	-	5,000	5,000
Advances Out	-	-	(5,000)	(5,000)
Other Financing Uses	(24,750)	(21,750)	(6,728)	15,022
<i>Total Other Financing Sources (Uses)</i>	<u>(224,750)</u>	<u>(172,750)</u>	<u>(155,023)</u>	<u>17,727</u>
<i>Net Change in Fund Balance</i>	<u>(328,769)</u>	<u>76,016</u>	<u>196,053</u>	<u>120,037</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>4,017,501</u>	<u>4,017,501</u>	<u>4,017,501</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 3,688,732</u>	<u>\$ 4,093,517</u>	<u>\$ 4,213,554</u>	<u>\$ 120,037</u>

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

Canfield Township, Mahoning County
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual - Budget Basis
 2141 Road District Fund
 For the Year Ended December 31, 2019*

	<u>Budgeted Amounts</u>			Final Budget Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 165,164	\$ 165,164	\$ 164,567	\$ (597)
Intergovernmental	20,913	20,913	21,832	919
Miscellaneous	-	350	360	10
<i>Total Receipts</i>	<u>186,077</u>	<u>186,427</u>	<u>186,759</u>	<u>332</u>
Disbursements				
Current:				
Public Works	289,750	279,350	247,246	32,104
Capital Outlay	12,000	7,400	41,316	(33,916)
Debt Service:				
Principal Retirement	46,786	40,671	40,547	124
Interest and Fiscal Charges	3,150	2,903	3,027	(124)
<i>Total Disbursements</i>	<u>351,686</u>	<u>330,324</u>	<u>332,136</u>	<u>(1,812)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(165,609)</u>	<u>(143,897)</u>	<u>(145,377)</u>	<u>(1,480)</u>
Other Financing Sources (Uses)				
Other Debt Proceeds	-	-	33,916	33,916
Transfers In	200,000	100,000	100,000	-
<i>Total Other Financing Sources (Uses)</i>	<u>200,000</u>	<u>100,000</u>	<u>133,916</u>	<u>33,916</u>
<i>Net Change in Fund Balance</i>	34,391	(43,897)	(11,461)	32,436
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>31,444</u>	<u>31,444</u>	<u>31,444</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 65,835</u>	<u>\$ (12,453)</u>	<u>\$ 19,983</u>	<u>\$ 32,436</u>

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

NOTE 1 – REPORTING ENTITY

The constitution and laws of the State of Ohio establish the rights and privileges of Canfield Township, Mahoning County, Ohio (the Township) as body politic and corporate established in 1798. A publicly elected three-member Board of Trustees directs the Township and one elected Township Fiscal Officer.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and cemetery. Cardinal Joint Fire District in conjunction with the Township and the City of Canfield provides fire protection to both communities. The Township provides maintenance for one fire station on Messerly Road referred to as Fire Station III. The Mahoning County Sheriff's Department provides police protection by contract. The Township provides and maintains one sub-station behind the Township Hall for Sheriff's use.

Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools

Windsor House JEDD - Canfield Community Joint Economic Development District (JEDD) - The Canfield Community Board comprised of an At Large Member; Windsor House Representative; Employee Representative, Windsor House Administrator; Canfield City Representative and Canfield Township Representative, met quarterly in compliance with the JEDD Agreement.

During the third quarter meeting on September 18, 2019, discussion took place to amend the existing Windsor House JEDD to include an additional 5.5 acres.

The process to amend the JEDD to include the approximate 5.5 acres was as follows.

1. Resolution Setting Public Hearing on Proposed Amendment to the Canfield Community Joint Economic Development District (JEDD) Agreement **R.C. 715.72(L)**
2. Petition Consenting to the Addition of Territory to the Canfield Community JEDD **R.C. 715.72(L)(3)**
3. Resolution Approving an Amendment to the Canfield Community JEDD **R.C. 715.72(L)(4)**

The Canfield Township's Board of Trustees passed a Resolution on December 10, 2019 setting the Public Hearing on the Proposed Amendment to the Canfield Community JEDD for Tuesday, January 14, 2020.

The JEDD Board passed one Resolution on December 18 titled **Transferring Canfield Community JEDD Tax Collections**. The unanimously passed Resolution stated that the 2018 and 2019 Canfield Community JEDD tax collections totaling \$37,368.91, be transferred to the City's General Fund with 1% remaining in escrow totaling \$377.46 for use by the JEDD Board according to the JEDD Agreement.

Clarification of Board Members Terms: Mr. Kosar's term will end in November 2022 and Mrs. Cartwright ends November 2023. Board member term limits are two two-year consecutive terms. Therefore, neither individual can be re-appointed. Mr. Fabian and Mr. Masternick's first term will end November 2020 after which they can each serve another four-year term. Mr. Sebastiani's first term will end November 2021 and then he can serve another four-year term.

Additionally the 2020 meeting schedule was set at that fourth quarter meeting as follows: first quarter Wednesday, March 18; second quarter Wednesday, June 17; third quarter Wednesday, September 16, and fourth quarter Wednesday, December 16. Meetings will be held at 3pm at the Windsor House in Canfield, 6445 State Route 446, Canfield, Ohio.

NOTE 1 – REPORTING ENTITY (Continued)

Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools (Continued)

Millennial Moments Joint Economic Development District (JEDD) - On August 14, 2018, the Board of Canfield Township Trustees passed Resolution 2018-8-14-106 approving the execution of a Joint Economic Development District Agreement (JEDD) R.C. 715.72, later know as Millennial Moments JEDD, by and between the Township of Canfield and the City of Canfield. The Board passed this resolution unanimously because it determined that the creation of the JEDD Territory pursuant to the JEDD Agreement will facilitate economic development, will create and preserve jobs and employment opportunities and will benefit the economic welfare of the residents of the Township.

In 2019, the Millennial Moment JEDD comprised of representatives from Canfield Township, City of Canfield, and owner representative held two board meetings. The first meeting organized the board and the second meeting appointed a Chairman of the Board. The Board passed a resolution to implement, and provide for the administration of an income tax of 1% to be levied within the JEDD in accordance with the JEDD Agreement entered into between the City of Canfield and Canfield Township, and Revised Code Section 715.70(F)(4).

This JEDD is only the second in Mahoning County and both are in Canfield Township. It is located at the intersection of St. Route 224 and Palmyra Road, comprising approximately 111 acres. This JEDD benefits the City since it will be able to collect a 1% income tax from all residents and workers of this development without annexing the property. The Township's advantage is that it does not lose prime development land and will receive the property taxes; the property owners receive water and sanitary services from the City while the Township provides road maintenance services and police protection.

Mixed Use Overlay Zoning District - Joint Economic Development (JEDD) - To further overall JEDD development it was necessary for the Canfield Board of Trustees to adopt a zoning amendment to incorporate certain development options or alternatives applicable to territory within a JEDD to establish a Joint Economic Development Mixed Use Overlay JEDD Zoning District. Additionally they established an Architectural Design Standards for the Mixed Use Overlay JEDD Zoning District, by resolution on February 9, 2018.

The JEDD Mixed Use Overlay Zoning provides a variety of retail and business opportunities including the following permitted uses:

- Churches and other related religious institutions, public schools, educational institutions, publicly owned buildings and public parks or playgrounds
- Stores, shops, business or retail offices not exceeding 70,000 sq. ft. in floor area
- Restaurants both sit down and fast food types
- Motels and Hotels
- Professional offices including doctors, insurance agents, tax preparation services, real estate agents, or other similar uses
- Automobile/motorcycle dealerships
- Theatres, both movie and performance oriented
- Stone or monument works
- Service Garages and gas stations (not including Truck stops)
- Laundries, Laundromat, or dyeing and cleaning works with not more than ten (10) employees in these processes
- Indoor Kennels
- Similar commercial uses to those listed above that are determined by the discretion of Canfield Township to be substantially similar in nature, consistent with the purpose and intent of this district, compatible with the surrounding land uses, and not detrimental by way of increased traffic or intensity.

NOTE 1 – REPORTING ENTITY (Continued)

Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools (Continued)

Annexation Activity - As part of the JEDD negotiation the City tied the Annexation of the Red Gate Farm located at South Palmyra and Leffingwell Roads, which is comprised of 290 acres in the Township. The City of Canfield purchased this property in May of 2003, but had not sought to annex it until negotiations for the Millennial Moments JEDD began.

On August 14, 2018, the Board of Canfield Township Trustees passed RESOLUTION 2018-8-14-107 APPROVING ANNEXATION AGREEMENT WITH THE CITY OF CANFIELD. The Board passed this resolution unanimously because it determined the terms of the Annexation Agreement to be in the best interests of the Township, providing for development opportunities while, at the same time: (1) preserving a tax base for the Township; (2) providing for reasonable development restrictions; and (3) protecting surrounding areas of the Township and neighboring residents.

LEGAL COUNSEL: The Township employed outside legal counsel specializing in JEDD and Annexation Agreements to ensure the best outcome for its residents and future development of the Township.

ABC Water and Stormwater District (ABC Water)—A Stormwater Utility Fee was implemented on January 1, 2019, which is collected from Canfield Township residents and businesses and distributed twice yearly by the Mahoning County Auditor's Office; deposited into the ABC Water and Stormwater District account and specially earmarked to assist Canfield Township in infrastructure and stormwater projects.

Canfield Township received revenue from ABC Water as follows:

- The Township received a total of \$113,075.77 for various infrastructure/stormwater projects such as Briarwood Court, Catawba Drive, Fairway Drive, Indian Run Drive, and Pheasant Run Drive.
- During the formation of the District, the Township financially supported ABC Water for a total of \$127,227 to cover engineering and legal fees from 2008-2018. The ABC Water District paid Canfield Township \$25,000 in December 2019 - first payment to the Township and agreed to pay in increments of \$20,000 annually until repaid.
- The balance of funds collected in 2019 covered staffing expenses, legal and engineering fees.

The May 28, 2019 Flood Event – This flood event referred to as a 500 year rain caused damage to Fairway Drive and Pheasant Run Drive necessitating emergency repairs totaling \$92,592.59. The Township secured a grant through the Ohio Public Works Commission's (OPWC) Emergency Fund Program of \$50,000; \$38,918 from ABC Water and Stormwater District, and Canfield Township shared in the balance.

To help with flooding issues, ABC Water and the Township completed two projects within the Indian Run Detention area by removing sediment that accumulated from the storm-causing blockage to the drainage way and second, the installation of a 56 lineal feet of 36" of storm sewer pipe for a total of \$38,500.

2019 - Paving Program- the Township secured a grant for \$57,137 from the Ohio Public Works Commission (OPWC) to resurfaced Blue Heron Drive, Killdeer Drive and Leffingwell Court totaling 1.02 miles, for a total cost of \$163,248 with the Township share coming from the Permissive Fund of \$106,111.

Canfield Township Community Park - During 2019, the Township secured grants for a proposed bike trail to be known as The Robert and Maxine Memorial Bike Trail from the Ohio Department of Natural Resources for \$195,867 and the Transportation Alternatives Program for \$199,480 totaling \$395,347. Additionally the Township has applied to the Heritage Ohio Capital Budget Grant for \$98,000 to assist in required wetland mitigation. The proposed bike trail shall start at the Canfield Township Community Park heading south crossing the Neff Family Farm heading then east crossing the Mahoning County Career and Technical Center's property to connect to the MetroPark's Bike Trail.

NOTE 1 – REPORTING ENTITY (Continued)

Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools (Continued)

Cardinal Joint Fire District has separately audited statements that are available through the district located at 104 Lisbon St. Canfield, Ohio 44406. The Township does not financially support the fire district, since it levies its own property taxes for the daily operation of the district. The district has built the third fire station, located on Herbert Road within the city limits. The Township maintains fire station III supported by a .10 outside levied millage.

School Resource Office (SRO) The Board entered into an agreement with the City of Canfield to cover half of 75% of one police officer for performance of its obligations pursuant to the SRO Agreement, which was \$32,188 in 2019, \$32,188 paid in 2018, and \$31,553 paid in 2017. The City and Township in 2018 negotiated a new five-year contract that limits the Township's exposure to 2% per year with the Canfield School System participation in the future.

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

As discussed further in the Basis of Accounting section of this Note, these financial statements are presented on a *modified* cash basis of accounting. This *modified* cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally Accepted Accounting Principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the *modified* cash basis of accounting. Following are the more significant of the Township's accounting policies.

Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements: The statement of net position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Township that are governmental and those that are of business-type. Property taxes generally finance the governmental activities, intergovernmental receipts or other non-exchange transactions.

The statement of net position presents the cash and investment balances of the governmental activities of the Township at year-end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a modified cash basis or draws from the Township's general receipts.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements: During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Fund Accounting: The Township uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. The funds of the Township are divided into three categories: governmental, proprietary and fiduciary.

Governmental Funds: The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The following are the Township's major governmental Funds:

General 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 follows the general laws of Ohio when expending or transferring funds.

Road District Fund This fund receives property tax money for constructing, maintaining, and repairing Township roads and accounts for expenditures restricted to that particular purpose.

The Township does not classify other governmental funds as major but accounts for grants and other resources which are restricted to a particular purpose. The Township has no Proprietary or Fiduciary Funds.

Basis of Accounting

The Township's financial statements are prepared using the modified cash basis of accounting. Receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

As a result of the use of this modified cash basis of accounting, certain assets and related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and related expenses) are not recorded in these financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolutions, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations resolution is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The Township established legal level of control at the fund, department, and object level for all funds as required by *ORC Section 5705.38(C)*.

The Township Fiscal Officer may identify projected increases or decreases in receipts, therefore may amend the certificate of estimated resources during the year. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources adopted as the original appropriations. The amounts reported as the final budgeted amounts on the budgetary statements reflect the final amended certificate of estimated resources in effect at the time the Township passed its final appropriations.

The following report represents the final appropriations and revenues at year-end. The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

The Ohio Revised Code requires the Township to reserve (encumber) appropriations at the time individual commitments are committed. Encumbrances outstanding at year-end are carried over and need not be re-appropriated.

Budgetary activity for the years ending 2019 follows:

Comparison of Budgeted and Actual Receipts
2019 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,300,816	\$1,345,239	\$44,423
Special Revenue	607,657	699,779	92,122
Capital Projects	155,432	155,432	-
Total	<u>\$2,063,905</u>	<u>\$2,200,450</u>	<u>\$136,545</u>

2019 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,224,800	\$1,149,186	\$75,614
Special Revenue	735,020	708,559	26,461
Capital Projects	155,432	155,432	-
Total	<u>\$2,115,252</u>	<u>\$2,013,177</u>	<u>\$102,075</u>

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Investments

Township records identify the purchase of specific investments by specific funds.

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

During 2019, the Township invested in non-negotiable certificates of deposits with Farmers National Investments, Farmers National Bank, Home Savings & Loan and STAR Ohio Plus. Farmers National Investments non-negotiable certificates of deposit are reported at cost, interest is reported when earned and transferred to the primary checking account. Interest posted to Star Ohio Plus is reinvested when earned and recorded monthly. Interest earned at Home Savings & Loan and Farmers National Bank on certificates of deposits is compounded quarterly, which is re-invested until maturity, reported and recorded yearly. The Farmers National Bank primary checking account recorded interest paid on a monthly basis and sweeps funds into a money market account that pays the same interest as Star Ohio Plus. The primary checking account must maintain a balance of \$325,000 to remain fee free, thereby sweeping the balance to a money market account to earn the best possible interest available to keep account as liquid as possible.

Securities form exist in physical or book-entry for investments in STAR Ohio Plus. STAR Plus is a cash management program that provides Ohio political subdivisions with access to hundreds of FDIC insured banks via one convenient account, offering participants full FDIC insurance up to \$15 million per account, a competitive yield, and weekly liquidity. The State Treasurer’s office has endorsed this new innovative program as a secure investment option for public funds managers with no exposure to credit or market risk. All deposits are backed by the full faith and credit of the U. S. Government. There is no term commitment on deposits. All deposits are held as overnight demand deposits with weekly access and daily purchase availability.

Investments in STAR Ohio Plus are valued at share price, which is the price value of the investment on December 31, 2019. The Township is required to keep open the STAR Ohio regular account that has a zero balance. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio’s share price, which is the price of the share if sold on December 31, 2019.

The Township allocates interest earnings to specific Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund in 2019 earned \$97,503, in 2018 earned \$77,338, in 2017 earned \$41,130 and in 2016 earned \$37,957. Interest posted to other funds in 2019 was insignificant.

The Township’s investment policy specifies specific types of exposure risk. The Township’s investment policy is limited to complying with state statute.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As of December 31, 2019, the Township had the following investments:

	<u>Current Value</u>	<u>Maturity</u>
BARCLAY 5YR	\$ 250,000	11/08/2022
BMW 5YR	\$ 30,000	07/17/2020
CAP ONE USA	\$ 225,000	04/20/2020
CAPITAL 1	\$ 25,000	07/01/2020
CAPITAL NA	\$ 250,000	08/26/2020
CITIBANK 3 YR	\$ 250,000	08/03/2021
DISCOVER 5YR	\$ 245,000	07/22/2020
FNB 60 MTH	\$ 188,537	03/04/2021
GOLDMAN 3	\$ 75,000	07/01/2020
GOLDMAN 5YR	\$ 150,000	04/26/2022
JP MORGAN	\$ 175,000	08/31/2020
STAR OHIO PLUS	\$ 984,724	None
USB 2YR	\$ 250,000	10/29/2020
WELLS 4YE	\$ 250,000	10/26/2022
Total Portfolio	<u>\$3,348,261</u>	

Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets are comprised of those fund balances in the Township’s major funds and other funds, excluding the General Fund. Those assets are restricted for use within the respective funds. The Township has thirteen funds at year-end with a total carry-over balance of \$4,717,905 of which \$504,351 are restricted funds and in 2018, \$4,530,632 of which \$513,131 are restricted funds and in 2017 had a carry-over balance of \$4,405,509 of which \$590,636 were restricted funds.

Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements. Inventories resulting from cash transactions are presented at cost on a first-in, first-out basis and are reported as disbursement when used. Prepaid items are reported as disbursements.

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Inter-fund Receivables/Payables

The Township reports advances-in and advances-out for inter-fund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

The fund financial statements report outstanding inter-fund loans as inter-fund receivables/payables. Inter-fund loans which do not represent available expendable resources are classified as non-spendable fund balance. Inter-fund balances are eliminated in the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, certain employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's modified cash basis of accounting.

Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 10 and 11, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Long-Term Obligations

The Township's modified cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither other financing source nor capital outlay expenditure is reported at inception. Lease payments are reported when paid.

Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net positions are available.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follow:

Non-spendable The non-spendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of inter-fund loans.

Restricted Fund balance is reported as 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 The committed fund balance classification includes amounts can only be used for the specific purposes imposed by formal action (resolution) of the Township Trustees. Those committed amounts cannot be used for any other purpose unless the Township Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance (Continued)

Assigned Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not contained 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.

Inter-fund Transactions

Transfers between governmental funds on the government-wide financial statements are reported in the same manner as general receipts.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in governmental funds and after non-operating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

NOTE 3 – ACCOUNTABILITY AND COMPLIANCE

Accountability

The Road Fund has been consistently in deficit spending for several years. The General Fund subsidized the Road Fund by \$100,000 in 2019, \$75,000 in 2018 and \$100,000 in 2017. The Township purchased one pickup truck in 2019. The Road Fund made principal payments of \$25,858 and interest payments of \$2,421 for one 2018 International and paid \$5,403 in principal and interest payment of \$606 for the 2019 pick-up. The Road Fund also made principal payments of \$9,286 on two OPWC loans.

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General and Road District Funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the modified cash basis are outstanding year-end encumbrances, which are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (modified cash basis).

NOTE 5 – DEPOSITS AND INVESTMENTS

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including Negotiable Order of Withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim monies held and invested by the Township are in accordance with the investment policy established in August of 2009:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities. Bonds and other obligations of the State of Ohio or Ohio local governments;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed ninety days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments.
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio & STAR Ohio Plus)

Investments in stripped principal or interest obligations reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An *investment* must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Fiscal Officer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

NOTE 5 – DEPOSITS AND INVESTMENTS (Continued)

Deposits

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the Township and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least one hundred five percent of the deposits being secured; or participation in 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. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Interest Rate Risk: Interest rate risk arises because the fair value of investments changes as interest rates change. The Township's investment policy does address interest rate risk. The Township invested all available funds, since the current market made it possible for the Township to earn significant earnings as reflected in the financials.

Credit Risk: STAR Ohio carries a rating of AAAM by Standard and Poor's. The Township's investment policy is limited to requiring compliance with state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township has limited custodial credit risk and has an investment policy dealing with custodial risk.

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 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.

The full tax rate for all Township operations for the year ended December 31, 2019, was \$2.75 per \$1,000 of assessed value.

NOTE 7 – CAPITAL ASSETS

The Township to remain in compliance with OAC 117-2-02 records capital asset activities, but the reports are not available in electronic form. The Township has an aging tracking report that tracks all major equipment and vehicles for future replacement of these items.

NOTE 8 – TRANSFERS

During 2019, \$100,000 was transferred to the Road District Fund from the General Fund. This transfer was from unrestricted receipts collected in the General Fund and will not be paid back since the funds were used for the daily operations of the Public Works Department and the fund will not receive enough funds to maintain normal operations of that fund.

NOTE 9 – RISK MANAGEMENT

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. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles. The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

During 2019, the Township contracted with OTARMA for various types of insurance coverage as follows:

Company	Type of Coverage	Coverage
OTARMA/Burnham & Flowers	Property	\$1,911,600
OTARMA/Burnham & Flowers	Commercial Umbrella Liability	2,000,000
OTARMA/Burnham & Flowers	Crime	5,000
OTARMA/Burnham & Flowers	Extra Expense	5,000
OTARMA/Burnham & Flowers	General Liability, in aggregate	2,000,000
OTARMA/Burnham & Flowers	General Liability, per occurrence	100,000
OTARMA/Burnham & Flowers	Fleet Insurance, single limit	100,000
OTARMA/Burnham & Flowers	Fleet Insurance, uninsured	100,000
OTARMA/Burnham & Flowers	Employee Dishonesty	5,000
OTARMA/Burnham & Flowers	Boiler and Machinery	1,971,600
OTARMA/Burnham & Flowers	Spoilage	25,000
OTARMA/Burnham & Flowers	Water Damage	1,000,000
OTARMA/Burnham & Flowers	Hazardous Substance	100,000
OTARMA/Burnham & Flowers	Ammonia Contamination	100,000
OTARMA/Burnham & Flowers	Off Premises Services Interruption	25,000
OTARMA/Burnham & Flowers	Public Officials Bond	10,000

Settled claims have not exceeded coverage in any of the last three years and there was no reduction in coverage from the prior year.

Employee Risk: The Township pays the Ohio State Workers' Compensation System for work related injuries. In 2019, the Township paid a premium of \$4,684 and received credits of \$142. In 2018, the Township paid a premium of \$8,328 and received credits of \$3,447 and paid in 2017 \$5,029 and received credits of \$4,268. Premium is based on a rate of .019398 per \$100 of salaries. The credits were due to changes at the bureau that should stabilize in the future. OBWC calculated the rate based on accident history and administrative costs. The Township has CareWorks to administer and pays all claims. The Township was claim free in 2019.

The Township pays 100% of the bargaining unit's health insurance coverage thru the Teamsters H&W System. The total cost paid for coverage was \$30,888 in 2019, \$27,808 in 2018 and \$36,746 in 2017 to cover three employees. In order for the Township to match coverage for its non-bargaining unit employees', the Township is self-insured for a portion of the *health insurance coverage*. The elected officials' and non-bargaining unit employees' medical health insurance has a higher deductible to lower the cost and by using a third party administrator to closely match bargaining unit benefits. Total exposure liability to the Township is approximately \$1,000 for single, \$3,000 for family coverage per employee. If a non-bargaining unit employee opts out of network service, they would have no coverage and the Township would have no exposure. Total exposure in 2019 was \$82,757, 2018 was \$89,135 and 2017 was \$83,500 for four non-bargaining unit employees. The Township covers the full cost of medical health insurance, life insurance, dental, eye care, AD&H and cancer insurance policies for all full-time, part-time employees and elected officials. All other insurances total \$8,496.

Canfield Township
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 10 – DEFINED BENEFIT PENSION PLAN

Plan Description – Township employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement, and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan. Substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 w ith 60 months of service credit or Age 55 w ith 25 years of service credit	Age and Service Requirements: Age 60 w ith 60 months of service credit or Age 55 w ith 25 years of service credit	Age and Service Requirements: Age 57 w ith 25 years of service credit or Age 62 w ith 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 w ith 25 years of service credit or Age 52 w ith 15 years of service credit	Age and Service Requirements: Age 48 w ith 25 years of service credit or Age 52 w ith 15 years of service credit	Age and Service Requirements: Age 52 w ith 25 years of service credit or Age 56 w ith 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 w ith 15 years of service credit	Age and Service Requirements: Age 48 w ith 25 years of service credit or Age 52 w ith 15 years of service credit	Age and Service Requirements: Age 48 w ith 25 years of service credit or Age 56 w ith 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

Final average Salary (FAS) represents the average of the three highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member’s career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost-of-living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local	Public Safety	Law Enforcement
2019 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
2019 Actual Contribution Rates			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits	0.0	0.0	0.0
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %
* This rate is determined by OPERS' Board and has no maximum rate established by ORC.			
** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.			

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township’s 14% share for 2019 was \$50,886, 2018 was \$48,264 and in 2017 was \$44,907. The Township paid negotiated union fringe benefits at 10% of \$11,968 in 2019, \$12,078 in 2018, \$11,231 in 2017 that are not included in the normal contributions at 10%. The 10% of non-union employee contributions was \$24,379 in 2019, \$22,396 in 2018 and in 2017 was \$20,846. The total to OPERS in 2019 was \$87,233.

NOTE 11 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension plan must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2019, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

Canfield Township
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 12 – DEBT

The Township's long-term debt activity for the year ending December 31, 2019, was as follows:

<u>Governmental Activities</u>	Rate	Balance 12/31/2018	Additions	Reductions on Principal	Balance 12/31/2019	Due Within One Year
PHEASANT RUN CULVERT: Issued 2015 - Final 1/2020						FINAL 1/2020
OPWC CT14T	0.00%	\$ 6,226	\$ -	\$ 4,151	\$ 2,075	\$ 2,075
Community Park Original Issued 2006 (\$856,000) (rewrite) Final 4/2020						FINAL 4/2020
Home H&L	2.40%	\$ 86,903	\$ -	\$ 58,884	\$ 28,019	\$ 28,019
2018 International Plow Truck Issued 2017 Final payment 9/2022						FINAL 9/2022
Farmers National Bk	2.37%	\$ 107,224	\$ -	\$ 25,858	\$ 81,366	\$ 28,279
Starr Centre Phase I: Issued 2017 – Final payment 7/2027						FINAL 7/2027
OPWC CF14T	0.00%	\$ 46,216	\$ -	\$ 5,135	\$ 41,081	\$ 5,135
2019 Pick-up Issued 2019						FINAL 3/2022
Farmers National Bk	3.50%	\$ -	\$ 33,916	\$ 5,403	\$ 28,513	\$ 6,007
TOTAL DEBT AT END OF 2019		\$ 246,569	\$ 33,916	\$ 99,431	\$ 181,054	\$ 69,515

Canfield Township
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 12 – DEBT (Continued)

The following is a summary of the Township's future annual debt service requirements.

Year	Pheasant Run	Community		Starr	2019	
	Culvert	Park		Centre	Pick-up	
	Principal	Principal	Interest	Principal	Principal	Interest
2020	2,075	28,019	359	2,568	11,103	916
2021	-	-	-	5,135	11,504	516
2022	-	-	-	5,135	5,906	104
2023	-	-	-	5,135	-	-
2024	-	-	-	5,135	-	-
2025-2029	-	-	-	17,973	-	-
	<u>\$ 2,075</u>	<u>\$ 28,019</u>	<u>\$ 359</u>	<u>\$ 41,081</u>	<u>\$ 28,513</u>	<u>\$ 1,536</u>

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Township. The Revised Code further provides that total voted and un-voted net debt of the Township less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation.

NOTE 13 – LEASES

Lease to purchase of 2018 International Plow Truck with Farmers National Bank at two payment per year for \$14,139.39.

Year	Lease	
	Principal	Interest
2020	26,478	1,801
2021	27,123	1,156
2022 Final	27,765	500
Totals	<u>\$81,366</u>	<u>\$3,457</u>

NOTE 14 – INTER-FUND TRANSFERS

During 2019, the following are transfers made from the General Fund:

Major Governmental Fund (Road Fund)	\$100,000
Other Governmental Funds (OPWC)	48,295
Total Transfers from the General Fund	<u>\$148,295</u>

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 15 – CONTINGENT LIABILITIES

Amounts that grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors 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 16 – SUBSEQUENT EVENTS

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

Canfield Township
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

This discussion and analysis of Canfield Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2018, within the limitations of the Township's modified cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Government's financial performance.

Highlights

Key highlights for 2018 are as follows:

The Township's general receipts are primarily property taxes that represent generally about 50 percent of the total cash received for governmental activities during the year. The total of all property tax receipts of all funds for 2018 were \$833,992 and in 2017 were \$766,947 that represents an increase of \$67,045. Total revenues received in 2018 were \$1,978,575.

Lodging tax collections for 2018 were \$137,557 and 2017 were \$131,215 that represents an increase of \$6,342 that is included in all taxes collected.

The net position of governmental activities changed to \$4,530,632 in 2018 from \$4,405,509 (restated) at the end of 2017 that represents a fund balance increase of \$125,123 over 2017. The Township's investment program has yield well. The total interest received in 2018 was \$80,563 and in 2017 was \$41,310 representing an increase over 2017 of \$39,253.

General:

Joint Economic Development District (JEDD) - Since June of 2017 the City of Canfield, Canfield Township and the owners of the property formerly known as Bitonte-Lanterman have been negotiating terms of a JEDD Agreement. This project now known as "Millennial Moments JEDD" is located at the intersection of St. Route 224 and Palmyra Road, comprising approximately 111 acres. This JEDD will benefit the City since it will be able to collect a 1% income tax from all residents and workers of this development without annexing the property. The Township's advantage is that it does not lose prime development land and can collect the property taxes; the property owners receive water and sanitary services from the City while the Township provides road maintenance services and police protection.

The Township and City will provide these improvements and governmental services as contributions to the district in order to advance the economic development of the Millennial Moments JEDD. On August 14, 2018, the Board of Canfield Township Trustees passed Resolution 2018-8-14-106 approving the Execution of a Joint Economic Development District Agreement (JEDD) R.C. 715.72 by and between the Township of Canfield and the City of Canfield. The Board passed this resolution unanimously because it determined that the creation of the JEDD Territory pursuant to the JEDD Agreement will facilitate economic development, will create and preserve jobs and employment opportunities and will benefit the economic welfare of the residents of the Township.

Annexation Activity - As part of the JEDD negotiation the City tied the annexation of the Red Gate Farm located at South Palmyra and Leffingwell Roads, which is comprised of 290 acres in the Township. The City of Canfield purchased this property in May of 2003, but had not sought to annex it until negotiations for the Millennial Moments JEDD began.

Through negotiations the Township was able to secure buffer and landscaping provisions and City water and sanitary services if necessary for residents adjacent to the Red Gate property, as well as zoning to restrict the portion of Red Gate south of Leffingwell Road to single-family residential with a minimum of 1-acre lots. Additionally the Township will continue to receive the real estate property taxes after annexation.

Canfield Township
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

On August 14, 2018, the Board of Canfield Township Trustees passed RESOLUTION 2018-8-14-107 APPROVING ANNEXATION AGREEMENT WITH THE CITY OF CANFIELD. The Board passed this resolution unanimously because it determined the terms of the Annexation Agreement to be in the best interests of the Township, providing for development opportunities while, at the same time: (1) preserving a tax base for the Township; (2) providing for reasonable development restrictions; and (3) protecting surrounding areas of the Township and neighboring residents. However, it was later discovered that the City of Canfield passed a resolution, which contained information regarding Tax Increment Financing that was not included in the Township's Agreement; therefore, the parties began working on an amendment to the Agreement, which was still being negotiated at year's end.

The Township employed outside legal counsel specializing in JEDD and Annexation Agreements to ensure the best outcome for its residents and future development of the Township. To this, purpose legal expenses in 2018 were \$6,832 and \$14,325 in 2017.

Canfield Community JEDD- The Windsor House of Canfield, a skilled nursing facility, located at 6445 State Route 446 is the first JEDD in Mahoning County and Canfield Township and has been operating for over a year. It has brought not only economic development but also jobs and employment opportunities, as well as much needed services to the residents of Canfield and the surrounding communities.

Joint Economic Development (JEDD) Mixed Use Overlay Zoning District - To further overall JEDD development it was necessary for the Canfield Board of Trustees to adopt a zoning amendment to incorporate certain development options or alternatives applicable to territory within a JEDD to establish a Joint Economic Development Mixed Use Overlay JEDD Zoning District. Additionally they established an Architectural Design Standards for the Mixed Use Overlay JEDD Zoning District, by resolution on February 9, 2018.

The JEDD Mixed Use Overlay Zoning provides a variety of retail and business opportunities including the following permitted uses:

- Churches and other related religious institutions, public schools, educational institutions, publicly owned buildings and public parks or playgrounds
- Stores, shops, business or retail offices not exceeding 70,000 sq. ft. in floor area
- Restaurants both sit down and fast food types
- Motels and Hotels
- Professional offices including doctors, insurance agents, tax preparation services, real estate agents, or other similar uses
- Automobile/motorcycle dealerships
- Theatres, both movie and performance oriented
- Stone or monument works
- Service Garages and gas stations (not including Truck stops)
- Laundries, Laundromat, or dyeing and cleaning works with not more than ten (10) employees in these processes
- Indoor Kennels
- Similar commercial uses to those listed above that are determined by the discretion of Canfield Township to be substantially similar in nature, consistent with the purpose and intent of this district, compatible with the surrounding land uses, and not detrimental by way of increased traffic or intensity.

Canfield Township
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

ABC Water District – the Township has been working with ABC on its Code of Regulations and a Storm Water Utility Fee program. The implementation of the Storm Water Utility Fee Program to begin in the first quarter of 2019. The Mahoning County Auditor's Office will collect the fees from the residents and businesses in Canfield Township. The purpose of the fee to be utilized to improved infrastructure and storm water issues. The Township entered into an MOU with the ABC Water and Storm Water District (ABC) for the Mercedes Place Embankment Stabilization Project funded through a grant from the Ohio Turnpike Mitigation Program. The benefit of this project was to stop erosion of the existing drainage from impacting approximately eight condominiums, which was a direct result of the Ohio Turnpike runoff. The grant for \$144,359 paid for construction costs, inspection and overview of all documents; however, the grant did not cover the cost for engineering. The Township entered into a MOU with ABC for \$14,000 to cover those expenses that the Township expects to be reimburse once the Storm Water Utility Fee is collected. The project finalized in August of 2018. The attorney fees related to ABC projects in 2018 totaled \$20,953; this cost is also eligible for repayment.

Sheriff's Contract – The Township contracted with the Mahoning County Sheriff's Department for which they provide, but not limited to deputies, equipment, detectives, investigative services, traffic patrols, and other police assistance typically performed by a Township Police Department. The Board entered into a one-year contractual agreement on February 14, 2017 by Resolution #2017-02-14-34 with the Mahoning County Sheriff's Department. The contract's cost for 2018 was \$297,500 and in 2017 was \$290,470. The Sheriff's Contract remains the largest expenditure paid from the General Fund in 2018.

Healthcare Insurance – The Township switched to a high deductible healthcare policy/part self-insured with a maximum exposure of \$110,000 for 2018. The actual expenditure in 2018 was \$89,135 and in 2017 was \$55,606. The Public Works Department has International Brotherhood of Teamsters Local #377 healthcare coverage. Total expenditures for the Public Works Department were \$27,808 that brings the total healthcare cost for the Township to \$116,943 in 2018.

School Resource Officer (SRO) – The Board entered into a five-year agreement in August 2018. The City of Canfield shall cover one-half of 75% of the costs for one officer for performance of its obligations pursuant to the SRO Agreement with a maximum cost exposure increase to the Township of 2% per year for the remaining four years. The cost was \$32,188 in 2018 and \$31,553 in 2017. The City of Canfield and Canfield Township will pursue negotiations with Canfield Local Schools in sharing the cost of the SRO to reduce the financial obligation to the City of Canfield and the Township while providing the same level of protection to the school community.

Canfield Township Community Park - Due to budgetary concerns, the Board agreed to limit expenditures for new projects at the park. The Township entered into a contract for the mowing of the park at a cost of \$6,300 and fertilization for a cost of \$2,755 for a total of \$9,055. The Township disbursed only \$7,885 on these contracts mainly due to weather for a savings of \$1,170.

The Township collect rental fees for use of the park facilities and has a signed annual storage rental agreement with the Canfield Soccer Club for the multipurpose building storage area. The Township has collected in rental fees of \$3,184 in 2018 and \$3,684 in 2017.

The Township applied for and awarded the Clean Ohio Trails Grant in 2018 that will fund the Robert H. Neff Memorial Bike Way Project at the park in 2019 at an estimated cost of \$261,155.

Fire District – The Township owns and is obligated to the upkeep of Fire Station III on Messerly Road. The Township replaced four large garage door openers and eight hand held units and Reznor heater in 2018. Total spent in 2018 was \$8,921 and in 2017 was \$27,133.

Township Hall – The painting of the Township Hall doors and window trim, including the sub-station cost \$4,875.

Canfield Township
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

Dean Hill Cemetery – The Township has completed the third phase of the first ever Headstone Restoration Program at Dean Hill Cemetery. The restoration cost in 2018 was \$1,500 and in 2017 was \$2,817 for headstone restoration, tree removal and signage.

Zoning Department – Although it continues to be a challenge due to the slow economy, decrease construction of single-family homes and lack of commercial development/construction, the Township continues strong in the number of homes and commercial permits processed within Mahoning County. In 2018, the Zoning Department received in permits of \$84,209, \$66,554 in 2017 and \$108,854 in 2016. Appeals fees received of \$4,750 in 2018 and \$3,100 in 2017.

The Zoning Board of Commission has begun the process of formulating a new Land Use Plan. The Board entered into an agreement with CT Consultant to start the process in September of 2018 with a cost not to exceed \$15,000, with the balance of the work completed in 2019 with the balance paid at completion of the Land Use Plan Program.

Donations of Funds – The Board approved the following community activities to receive donations from the General Fund in 2018. Canfield Veteran's Museum \$1,000; American Legion Post 177 \$1,000; and Fourth of July Parade \$4,000. The total amount approved was \$6,000; total amount disbursed was \$5,415 in 2018.

Public Works Projects:

Salt Purchases – The Township participated in the State of Ohio's Salt Purchasing Program. The total paid for 2018 for road salt from the 2017-2018 season was \$34,256 and 2017 was \$40,576, 2016 was \$31,400 and 2015 at \$83,594. In order to balance the 2018 budget, the Board put the 2018-2019 season purchases on hold until the following year.

Road Expenses – Due to the aging infrastructure, the Township has had numerous sinkholes, catch basin repairs and an unusual amount of cold & hot asphalt mix due to exceeding the useful life of the asphalt. Hot/cold asphalt mix for the year estimated at seventy tons.

The Board approved in-house repairs of catch basins to include over-time of personnel. The estimated cost for Deerspring Run catch basin repairs were \$900 in materials plus fifty employee-hours. No overtime. The Pheasant Run catch basin repairs estimated cost at \$5,800 in materials Foust Construction at \$1,700 for curb/gutter, one hundred seventy-five employee-hours, plus twenty-one employee-overtime hours. In addition to the repairs, it became necessary to road sweep Pheasant Run, so that storm water can run properly. Several catch basin repaired during the year with an estimate eighteen-hundred additional employee hours. The Permissive Fund was used to cover most of the materials.

Road Equipment Purchase – The Township had high repairs due to the fleets aging. The Board requested and received an aging report from the Public Works Department to use for future budget discussions. In 2018, the Township did not replace or added to the fleet, but had principal payments of \$51,581 and interest of \$3,808 for our lease to purchase program on two plow trucks. The Township purchased a storm sewer camera for a total of \$8,664 due to the numerous sinkholes and catch basin repairs that continue to plague the Township.

Paving Program – The Township has entered into MOU's with Boardman and Austintown Townships for several years in a combined paving program that has allowed the Township to save and or pave more roads. The original bid for the 2018-paving program was \$73,906, but due to one street accidentally omitted from the original bid process through no fault of the Township, the Board approved a change order on September 11 to include the street for \$16,839. The final total cost of the paving program for 2018 was \$90,745 that was originally budgeted at \$80,000.

Canfield Township
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

OPWC – Starr Centre Phase II – The Township approved the low bidder for Starr Centre Roadway Rehabilitation Project Phase II not to exceed \$163,060. On October 23, the Board approved a change order to cover unforeseen conditions during excavation of the project for \$989 bringing the total cost of the project to \$164,049. In addition, the engineering cost was \$15,500.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's modified cash basis of accounting.

Report Components

The statement of net position and the statement of activities provide information about the cash activities of the Government as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Government as a way to segregate monies use, which is restricted to a particular or specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide, fund financial statements, provide expanded explanation, and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Government's modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

Because of using the modified cash basis of accounting, certain assets, and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the modified cash basis of accounting.

Reporting the Government as a Whole

The statement of net position and the statement of activities reflect how the Township did financially during 2018, within the limitations of modified cash basis accounting. The statement of net position presents the cash balances and investments of the governmental and business-type activities of the Government at year-end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the Government's general receipts.

These statements report the Government's cash position and the changes in cash position. Keeping in mind the limitations of the modified cash basis of accounting, you can think of these changes as one way to measure the Government's financial health. Over time, increases or decreases in the Government's cash position is one indicator of whether the Government's financial health is improving or deteriorating.

Canfield Township
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

When evaluating the Government's financial condition you should also consider other non-financial factors, such as:

- The Government's property tax base;
- The condition of the Government's capital assets and infrastructure;
- The extent of the Government's debt obligations;
- The reliance on non-local financial resources for operations;
- The need for continued growth in the major local revenue sources such as property taxes in the statement of net assets and the statement of activities.

Most of the Government's basic services reported in the statement of net position and the statement of activities includes streets and parks. Property taxes, state and federal grants finance most of these activities. The benefits provided through governmental activities are not necessarily paid for by the people receiving the benefits.

Reporting the Government's Most Significant Funds

Fund financial statements provide detailed information about the Government's major funds – not the Government as a whole. The Government establishes separate funds to manage its many activities and to help demonstrate there is restricted money and that it is being used for the intended purpose. The funds of the Government are split into three categories: governmental, proprietary and fiduciary.

Governmental Funds - Most of the Government's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Government's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Government's programs. The Government's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Government's only major governmental funds are the General, Road District, and Public Works Funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

Proprietary Funds –The Township has no Proprietary Funds.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the Township's programs. The Township has no Fiduciary Funds.

Canfield Township
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

The Government as a Whole

Table 1 provides a summary of the net assets for 2018 compared to 2017 on a modified cash basis:

	Net Position	
	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017 (Restated)</u>
Assets		
Cash and Cash Equivalents	\$ 1,216,017	\$ 1,482,872
Investments	3,314,615	2,922,637
Total Assets	<u>\$ 4,530,632</u>	<u>\$ 4,405,509</u>
Net Position		
Restricted for:		
Other Purposes	\$ 513,131	\$ 590,636
Unrestricted	4,017,501	3,814,873
Total Net Assets	<u>\$ 4,530,632</u>	<u>\$ 4,405,509</u>

As mentioned previously, the net position of governmental activities increased by \$125,123 or by 2.8 percent over 2017. The primary reasons contributing to the increase in cash balances is interest earned, zoning permit increase and dividing two contracts between 2018 – 2019 budget years.

Canfield Township
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

Table 2 reflects the changes in net assets on a cash basis in 2018 and 2017 for governmental activities.

Changes in Net Position	Governmental Activities	
	<u>2018</u>	<u>2017 (Restated)</u>
Program Receipts:		
Operating Grants and Contributions	\$ 119,795	\$ 118,211
Charges for Services and Sales	249,912	226,381
Total Program Receipts	<u>369,707</u>	<u>344,592</u>
General Receipts:		
Property Taxes	833,992	766,947
Other Taxes	249,914	234,597
Grants and Entitlements not Restricted to Specific Programs	283,250	200,516
Intergovernmental	0	61,694
Other Debt Proceeds	0	132,472
Cable Franchise Fees	65,643	61,414
Earnings on Investments	80,563	41,310
Miscellaneous	95,506	31,963
Total General Receipts	<u>1,608,868</u>	<u>1,530,913</u>
Total Receipts	<u>1,978,575</u>	<u>1,875,505</u>
Disbursements:		
General Government	436,686	371,645
Public Safety	306,422	317,605
Public Works	571,504	533,514
Health	106,398	95,319
Conservation/Recreation	14,150	10,290
Other	6,308	0
Capital Outlay	286,684	379,082
Debt Service		
Principal Retirement	118,319	85,834
Interest and Fiscal Charges	6,981	6,053
Total Disbursements	<u>1,853,452</u>	<u>1,799,342</u>
 Increase (Decrease) in Net Position	 125,123	 76,163
 Net Position, January 1	 4,405,509	 4,329,346
Net Position, December 31	<u>\$ 4,530,632</u>	<u>\$ 4,405,509</u>

General receipts represent about 81 percent of the Government's total receipts. State and federal grants and entitlements and other receipts make up the balance of the Government's general receipts and are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represents the overhead cost of running the Township and the support services provided for other Township activities. These cost includes the Board of Trustees, the Fiscal Officer and the Administrator/Road Superintendent, since these costs do not represent direct services to residents, we try to limit them.

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for general government, public safety, and public works, which represent about 71 percent of all governmental disbursements. General government represents a significant cost. This "net cost" amount represents the cost of the service, which is paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement.

Canfield Township
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

A comparison between the net cost of services is presented in Table 3.

	Net Cost Of Services 2018	Net Cost Of Services 2017
General Government	\$ 347,727	\$ 301,679
Public Safety	243,421	259,887
Public Works	363,825	327,524
Health	99,514	87,901
Conservation/Recreation	10,966	6,596
Other	6,308	-
Capital Outlay	286,684	379,082
Debt Service:		
Principal Retirement	118,319	85,834
Interest and Fiscal Charges	6,981	6,053
Total Expenses	\$ 1,483,745	\$ 1,454,556

The dependence upon property tax receipts is apparent as over 56 percent of governmental activities are supported through these general receipts. Net cost of service increased in 2018 by \$29,189 in comparison to 2017.

The Government's Funds

Total governmental funds had receipts of \$2,108,951 and disbursements of \$1,983,828. Revenues exceed expenditures by \$125,123. The greatest change within governmental funds occurred within the General Fund where earned interest, zoning permit fees and lodging tax seen an increase.

The Township's budget is prepared according to Ohio law and based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. The General Fund ending balance in 2018 was \$4,017,501 and \$3,858,360 in 2017. Although the increase was not significant, the income sources are unpredictable and in fact, without these unpredictable revenue sources, such as the Lodging Tax and interest, the General Fund increase would have been much less.

The Government's Funds - Expenditures

The largest expenditures coming from the General Fund are the Sheriff's Contract at \$300,000; transfer out for \$130,376 and healthcare at \$89,135; the Road Fund had total expenditures of \$259,423 that includes \$75,000 transfers of funds from the General. The Township completed Starr Centre Phase II and Mercedes Place for a total capital outlay of \$286,684.

The Public Works Department is comprised of two full-time and two part-time employees during the regular work schedule. The Township has two seasonal snowplow drivers. The Road Fund supports thirty percent of the Administrator/Road Superintendent's wages. Wages for the Public Works Department were as follows: 2018 \$195,981; 2017 \$ 178,114; 2016 \$169,001; 2015 \$178,652, and in 2014 \$170,648.

Canfield Township
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

Capital Assets and Debt Administration

Capital Assets

The Township does not currently keep track of its capital assets and infrastructure on electronic form but hard copy is available. The Public Works Department along with the Administrator have begun recording infrastructure electronically.

Debt

On December 31, 2018, the Township had outstanding debt of \$246,569, in 2017 had debt of \$364,888 and in 2016 had debt of \$268,803 that represents a decrease of outstanding debt of \$118,319 over 2017.

Current Issues

The challenge for all Townships is to provide quality services to the public while staying within the restrictions imposed by limitations, and in some cases shrinking, funding. The Township relies heavily on local taxes and has very little industry to support the base. The Township's first JEDD will provide a modest increase in property taxes next year. The Local Government fund continues to decrease. The Board continues to review the revenues and disbursement history of the Township.

The Board has been concerned with low permit volume but has seen a turnaround in construction of single-family units as well as some commercial construction. Although the Board is aware that the Zoning Department needs closely watched, they feel confident that the Township will continue to lead Mahoning County in permit issuance.

Contacting the Government's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Direct questions concerning any of the information in this report or requests for additional information to Denise Joseph, Fiscal Officer, Canfield Township, Mahoning County, at 21 South Broad St., Canfield, Ohio 44406 – 330-533-4239.

Canfield Township, Mahoning County
Statement of Net Position - Modified Cash Basis
December 31, 2018

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 1,216,017
Investments	<u>3,314,615</u>
<i>Total Assets</i>	<u><u>\$ 4,530,632</u></u>
Net Position	
Restricted for:	
Other Purposes	\$ 513,131
Unrestricted	<u>4,017,501</u>
<i>Total Net Position</i>	<u><u>\$ 4,530,632</u></u>

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

Canfield Township, Mahoning County
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2018

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Primary Government
				Governmental Activities
Governmental Activities				
Current:				
General Government	\$ 436,686	\$ 88,959	\$ -	\$ (347,727)
Public Safety	306,422	63,001	-	(243,421)
Public Works	571,504	87,884	119,795	(363,825)
Health	106,398	6,884	-	(99,514)
Conservation - Recreation	14,150	3,184	-	(10,966)
Other	6,308	-	-	(6,308)
Capital Outlay	286,684	-	-	(286,684)
Debt Service				
Principal Retirement	118,319	-	-	(118,319)
Interest and Fiscal Charges	6,981	-	-	(6,981)
<i>Total Governmental Activities</i>	<u>1,853,452</u>	<u>249,912</u>	<u>119,795</u>	<u>(1,483,745)</u>
Total	<u>\$ 1,853,452</u>	<u>\$ 249,912</u>	<u>\$ 119,795</u>	<u>(1,483,745)</u>
		General Receipts		
				833,992
				249,914
				283,250
				65,643
				80,563
				95,506
				1,608,868
				125,123
				4,405,509
				\$ 4,530,632

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

Canfield Township, Mahoning County
Statement of Assets and Fund Balances - Modified Cash Basis
Governmental Funds
December 31, 2018

	<u>General</u>	<u>Road District</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 702,886	\$ 31,444	\$ 481,687	\$ 1,216,017
Investments	3,314,615	-	-	3,314,615
<i>Total Assets</i>	<u>\$ 4,017,501</u>	<u>\$ 31,444</u>	<u>\$ 481,687</u>	<u>\$ 4,530,632</u>
Fund Balances, December 31				
Restricted	\$ -	\$ 31,444	\$ 481,687	\$ 513,131
Unassigned	4,017,501	-	-	4,017,501
<i>Total Fund Balances</i>	<u>\$ 4,017,501</u>	<u>\$ 31,444</u>	<u>\$ 481,687</u>	<u>\$ 4,530,632</u>

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

Canfield Township, Mahoning County
Statement of Receipts, Disbursements and Changes in Fund Balances - Modified Cash Basis
Governmental Funds
For the Year Ended December 31, 2018

	General	Road District	Public Works	Other Governmental Funds	Total Governmental Funds
Receipts					
Property and Other Local Taxes	\$ 795,300	\$ 160,546	\$ -	\$ 87,115	\$ 1,042,961
Licenses, Permits and Fees	154,602	-	-	4,284	158,886
Intergovernmental	235,856	21,666	124,173	149,679	531,374
Special Assessments	-	-	-	63,001	63,001
Earnings on Investments	77,338	-	-	3,225	80,563
Miscellaneous	98,887	303	-	2,600	101,790
<i>Total Receipts</i>	<u>1,361,983</u>	<u>182,515</u>	<u>124,173</u>	<u>309,904</u>	<u>1,978,575</u>
Disbursements					
Current:					
General Government	436,686	-	-	-	436,686
Public Safety	297,501	-	-	8,921	306,422
Public Works	51,219	193,749	-	326,536	571,504
Health	100,905	-	-	5,493	106,398
Conservation-Recreation	13,086	-	-	1,064	14,150
Capital Outlay	106,135	1,000	179,549	-	286,684
Debt Service:					
Principal Retirement	57,452	60,867	-	-	118,319
Interest and Fiscal Charges	3,174	3,807	-	-	6,981
<i>Total Disbursements</i>	<u>1,066,158</u>	<u>259,423</u>	<u>179,549</u>	<u>342,014</u>	<u>1,847,144</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>295,825</u>	<u>(76,908)</u>	<u>(55,376)</u>	<u>(32,110)</u>	<u>131,431</u>
Other Financing Sources (Uses)					
Transfers In	-	75,000	55,376	-	130,376
Transfers Out	(130,376)	-	-	-	(130,376)
Advances In	1,000	-	-	1,000	2,000
Advances Out	(1,000)	-	-	(1,000)	(2,000)
Other Financing Uses	(6,308)	-	-	-	(6,308)
<i>Total Other Financing Sources (Uses)</i>	<u>(136,684)</u>	<u>75,000</u>	<u>55,376</u>	<u>-</u>	<u>(6,308)</u>
<i>Net Change in Fund Balances</i>	159,141	(1,908)	-	(32,110)	125,123
<i>Fund Balances Beginning of Year (Restated - See Note 17)</i>	<u>3,858,360</u>	<u>33,352</u>	<u>-</u>	<u>513,797</u>	<u>4,405,509</u>
<i>Fund Balances End of Year</i>	<u>\$ 4,017,501</u>	<u>\$ 31,444</u>	<u>\$ -</u>	<u>\$ 481,687</u>	<u>\$ 4,530,632</u>

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

Canfield Township, Mahoning County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
1000 General Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 794,939	\$ 784,938	\$ 795,300	\$ 10,362
Licenses, Permits and Fees	62,000	148,393	154,602	6,209
Intergovernmental	134,249	228,928	235,856	6,928
Earnings on Investments	40,000	60,000	77,338	17,338
Miscellaneous	310,359	98,162	98,887	725
<i>Total Receipts</i>	<u>1,341,547</u>	<u>1,320,421</u>	<u>1,361,983</u>	<u>41,562</u>
Disbursements				
Current:				
General Government	554,115	498,597	436,686	61,911
Public Safety	298,000	297,500	297,501	(1)
Public Works	50,000	52,000	51,219	781
Health	103,000	103,500	100,905	2,595
Conservation-Recreation	15,600	14,255	13,086	1,169
Capital Outlay	167,000	106,135	106,135	-
Debt Service:				
Principal Retirement	57,500	56,777	57,452	(675)
Interest and Fiscal Charges	3,200	3,849	3,174	675
<i>Total Disbursements</i>	<u>1,248,415</u>	<u>1,132,613</u>	<u>1,066,158</u>	<u>66,455</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>93,132</u>	<u>187,808</u>	<u>295,825</u>	<u>108,017</u>
Other Financing Sources (Uses)				
Transfers Out	(176,301)	(130,376)	(130,376)	-
Advances In	-	-	1,000	1,000
Advances Out	-	-	(1,000)	(1,000)
Other Financing Uses	(25,000)	(55,000)	(6,308)	48,692
<i>Total Other Financing Sources (Uses)</i>	<u>(201,301)</u>	<u>(185,376)</u>	<u>(136,684)</u>	<u>48,692</u>
<i>Net Change in Fund Balance</i>	<u>(108,169)</u>	<u>2,432</u>	<u>159,141</u>	<u>156,709</u>
<i>Unencumbered Fund Balance Beginning of Year (Restated - See Note 17)</i>	<u>3,858,360</u>	<u>3,858,360</u>	<u>3,858,360</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 3,750,191</u>	<u>\$ 3,860,792</u>	<u>\$ 4,017,501</u>	<u>\$ 156,709</u>

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

Canfield Township, Mahoning County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
2141 Road District Fund
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>			Final Budget Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$ 162,332	\$ 162,332	\$ 160,546	\$ (1,786)
Intergovernmental	20,913	20,913	21,666	753
Other	96	96	303	207
<i>Total Receipts</i>	<u>183,341</u>	<u>183,341</u>	<u>182,515</u>	<u>(826)</u>
Disbursements				
Current:				
Public Works	225,100	211,929	193,749	18,180
Capital Outlay	10,000	1,000	1,000	-
Debt Service:				
Principal Retirement	61,483	60,867	60,867	-
Interest and Fiscal Charges	3,808	3,808	3,807	1
<i>Total Disbursements</i>	<u>300,391</u>	<u>277,604</u>	<u>259,423</u>	<u>18,181</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(117,050)</u>	<u>(94,263)</u>	<u>(76,908)</u>	<u>17,355</u>
Other Financing Sources (Uses)				
Transfers In	110,000	75,000	75,000	-
<i>Total Other Financing Sources (Uses)</i>	<u>110,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(7,050)	(19,263)	(1,908)	17,355
<i>Unencumbered Fund Balance Beginning of Year</i> <i>(Restated - See Note 17)</i>	<u>33,352</u>	<u>33,352</u>	<u>33,352</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 26,302</u>	<u>\$ 14,089</u>	<u>\$ 31,444</u>	<u>\$ 17,355</u>

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

NOTE 1 – REPORTING ENTITY

The constitution and laws of the State of Ohio establish the rights and privileges of Canfield Township, Mahoning County, Ohio (the Township) as body politic and corporate established in 1798. A publicly elected three-member Board of Trustees directs the Township and one elected Township Fiscal Officer.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and cemetery. Cardinal Joint Fire District in conjunction with the Township and the City of Canfield provides fire protection to both communities. The Township provides maintenance for one fire station on Messerly Road referred to as Fire Station III. The Mahoning County Sheriff's Department provides police protection by contract. The Township provides and maintains one sub-station behind the Township Hall for Sheriff's use.

Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools

The Windsor House of Canfield Joint Economic Development District (JEDD) - On March 31, 2015, Canfield Township Trustees approved by resolution the execution of the first Joint Economic Development District (JEDD) Agreement in Mahoning County between the Township and the City of Canfield. The JEDD incorporates 18.6005 acres located on State Route 446 to facilitate economic development, preserve and create jobs and employment opportunities and generally improve the economic welfare of the residents within the Township and City.

The Board of Trustees in cooperation with the City jointly filed with the Board of County Commissioners of Mahoning County, Ohio all documents prescribed by the Ohio Revised Code to complete the formation of the JEDD Agreement, including but not limited to an Economic Development Plan.

The Economic Development Plan was to facilitate and support the construction, development and operation of a 72 bed skilled nursing facility within the JEDD. The JEDD estimated property values to increase by \$10,000,000; create 72 full-time equivalent jobs and generate a projected annual payroll in excess of \$2,200,000. Included in the JEDD was the construction of public infrastructure to support the nursing facility. The Windsor House of Canfield, 6445 State Route 446, celebrated its Grand Opening on October 22, 2017 and in addition to its 72 private resident rooms includes many amenities: a large therapy gym, chapel, beauty/barber salon, café and library.

Millennial Moments Joint Economic Development District (JEDD) - Since June of 2017 the City of Canfield, Canfield Township and the owners of the property formerly known as Bitonte-Lanterman have been negotiating terms of a JEDD Agreement. This project now known as "Millennial Moments JEDD" and is located at the intersection of St. Route 224 and Palmyra Road, comprising approximately 111 acres. This JEDD will benefit the City since it will be able to collect a 1% income tax from all residents and workers of this development without annexing the property. The Township's advantage is that it does not lose prime development land and can collect the property taxes; the property owners receive water and sanitary services from the City while the Township provides road maintenance services and police protection.

The Township and City will provide these improvements and governmental services as contributions to the district in order to advance the economic development of the Millennial Moments JEDD. On August 14, 2018, the Board of Canfield Township Trustees passed Resolution 2018-8-14-106 approving the Execution of a Joint Economic Development District Agreement (JEDD) R.C. 715.72 by and between the Township of Canfield and the City of Canfield. The Board passed this resolution unanimously because it determined that the creation of the JEDD Territory pursuant to the JEDD Agreement will facilitate economic development, will create and preserve jobs and employment opportunities and will benefit the economic welfare of the residents of the Township.

NOTE 1 – REPORTING ENTITY (Continued)

Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools (Continued)

Mixed Use Overlay Zoning District - Joint Economic Development (JEDD) - To further overall JEDD development it was necessary for the Canfield Board of Trustees to adopt a zoning amendment to incorporate certain development options or alternatives applicable to territory within a JEDD to establish a Joint Economic Development Mixed Use Overlay JEDD Zoning District. Additionally they established an Architectural Design Standards for the Mixed Use Overlay JEDD Zoning District, by resolution on February 9, 2018.

The JEDD Mixed Use Overlay Zoning provides a variety of retail and business opportunities including the following permitted uses:

- Churches and other related religious institutions, public schools, educational institutions, publicly owned buildings and public parks or playgrounds
- Stores, shops, business or retail offices not exceeding 70,000 sq. ft. in floor area
- Restaurants both sit down and fast food types
- Motels and Hotels
- Professional offices including doctors, insurance agents, tax preparation services, real estate agents, or other similar uses
- Automobile/motorcycle dealerships
- Theatres, both movie and performance oriented
- Stone or monument works
- Service Garages and gas stations (not including Truck stops)
- Laundries, Laundromat, or dyeing and cleaning works with not more than ten (10) employees in these processes
- Indoor Kennels
- Similar commercial uses to those listed above that are determined by the discretion of Canfield Township to be substantially similar in nature, consistent with the purpose and intent of this district, compatible with the surrounding land uses, and not detrimental by way of increased traffic or intensity.

Annexation Activity - As part of the JEDD negotiation the City tied the Annexation of the Red Gate Farm located at South Palmyra and Leffingwell Roads, which is comprised of 290 acres in the Township. The City of Canfield purchased this property in May of 2003, but had not sought to annex it until negotiations for the Millennial Moments JEDD began.

Through negotiations the Township was able to secure buffer and landscaping provisions and City water and sanitary services if necessary for residents adjacent to the Red Gate property, as well as zoning to restrict the portion of Red Gate south of Leffingwell Road to single-family residential with a minimum of 1-acre lots. Additionally the Township will continue to receive the real estate property taxes after annexation.

On August 14, 2018, the Board of Canfield Township Trustees passed RESOLUTION 2018-8-14-107 APPROVING ANNEXATION AGREEMENT WITH THE CITY OF CANFIELD. The Board passed this resolution unanimously because it determined the terms of the Annexation Agreement to be in the best interests of the Township, providing for development opportunities while, at the same time: (1) preserving a tax base for the Township; (2) providing for reasonable development restrictions; and (3) protecting surrounding areas of the Township and neighboring residents.

However, it was later discovered that the City of Canfield passed a resolution, which contained information regarding Tax Increment Financing that was not included in the Township's Agreement; therefore, the parties began working on an amendment to the Agreement, which was still being negotiated at year's end.

The Township employed outside legal counsel specializing in JEDD and Annexation Agreements to ensure the best outcome for its residents and future development of the Township. To this purpose, legal expenses in 2018 were \$6,832 and \$14,325 in 2017.

NOTE 1 – REPORTING ENTITY (Continued)

Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools (Continued)

ABC Water District – the Township has been working with ABC on its Code of Regulations and a Storm Water Utility Fee program. The implementation of the Storm Water Utility Fee Program to begin in the first quarter of 2019. The Mahoning County Auditor’s Department will collect the fees from the residents and businesses in Canfield Township to be utilized to improved infrastructure and storm water issues.

The Township entered into an MOU with the ABC Water and Storm Water District (ABC) for the Mercedes Place Embankment Stabilization Project funded through a grant from the Ohio Turnpike Mitigation Program. The benefit of this project was to stop erosion of the existing drainage from impacting approximately eight condominiums, which was a direct result of the Ohio Turnpike runoff. The grant for \$144,359 paid for construction costs, inspection and overview of all documents; however, the grant did not cover the cost for engineering. The Township entered into a MOU with ABC for \$14,000 to cover those expenses that the Township expects to be reimburse once the Storm Water Utility Fee is collected. The project finalized in August of 2018. The attorney fees related to ABC projects in 2018 totaled \$20,953, this cost is also eligible for repayment.

Cardinal Joint Fire District has separately audited statements that are available through the district located at 104 Lisbon St. Canfield, Ohio 44406. The Township does not financially support the fire district, since it levies its own property taxes for the daily operation of the district. The district has built the third fire station, located on Herbert Road within the city limits. The Township maintains fire station III supported by a .10 outside levied millage.

School Resource Office (SRO) The Board entered into an agreement with the City of Canfield to cover half of 75% of one police officer for performance of its obligations pursuant to the SRO Agreement, which was \$32,188 paid in 2018, \$31,553 paid in 2017, and \$30,936 paid in 2016. The City and Township in 2018 negotiated a new five-year contract that limits the Township’s exposure to 2% per year with the Canfield School System participation in the future.

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

As discussed further in the Basis of Accounting section of this Note, these financial statements are presented on a *modified* cash basis of accounting. This *modified* cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally Accepted Accounting Principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the *modified* cash basis of accounting. Following are the more significant of the Township’s accounting policies.

Basis of Presentation

The Township’s basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements: The statement of net position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Township that are governmental and those that are of business-type. Property taxes generally finance the governmental activities, intergovernmental receipts or other non-exchange transactions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The statement of net position presents the cash and investment balances of the governmental activities of the Township at year-end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a modified cash basis or draws from the Township's general receipts.

Fund Financial Statements: During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Fund Accounting: The Township uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. The funds of the Township are divided into three categories: governmental, proprietary and fiduciary.

Governmental Funds: The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The following are the Township's major governmental Funds:

General 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 follows the general laws of Ohio when expending or transferring funds.

Road District Fund This fund receives property tax money for constructing, maintaining, and repairing Township roads and accounts for expenditures restricted to that particular purpose.

Public Works Issue 1 Project Fund This fund accounts for and reports OPWC Grant money restricted for the purpose of improving Township infrastructure.

The Township does not classify other governmental funds as major but accounts for grants and other resources which are restricted to a particular purpose. The Township has no Proprietary or Fiduciary Funds.

Basis of Accounting

The Township's financial statements are prepared using the modified cash basis of accounting. Receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

As a result of the use of this modified cash basis of accounting, certain assets and related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and related expenses) are not recorded in these financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Process

All funds are properly budgeted and appropriated, except for agency funds. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolutions, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations resolution is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The Township established legal level of control at the fund, department, and object level for all funds as required by *ORC Section 5705.38(C)*.

The Township Fiscal Officer may identify projected increases or decreases in receipts, therefore may amend the certificate of estimated resources during the year. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources adopted as the original appropriations. The amounts reported as the final budgeted amounts on the budgetary statements reflect the final amended certificate of estimated resources in effect at the time the Township passed its final appropriations.

Budgetary activity for the years ending 2018 follows:

Comparison of Budgeted and Actual Receipts
2018 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,320,422	\$1,361,983	\$41,561
Special Revenue	556,934	567,419	10,485
Capital Projects	179,549	179,549	-
Total	<u>\$2,056,905</u>	<u>\$2,108,951</u>	<u>\$52,046</u>

2018 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,317,990	\$1,202,842	\$115,148
Special Revenue	669,935	601,437	68,498
Capital Projects	179,549	179,549	-
Total	<u>\$2,167,474</u>	<u>\$1,983,828</u>	<u>\$183,646</u>

The report above represents the final appropriations and revenues at year-end. The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

The Ohio Revised Code requires the Township to reserve (encumber) appropriations at the time individual commitments are committed. Encumbrances outstanding at year-end are carried over and need not be re-appropriated.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Investments

Township records identify the purchase of specific investments by specific funds.

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

During 2018, the Township invested in non-negotiable certificates of deposits with Farmers National Investments, Farmers National Bank, Home Savings & Loan and STAR Ohio Plus. Farmers National Investments non-negotiable certificates of deposit are reported at cost, interest is reported when earned and transferred to the primary checking account. Interest posted to Star Ohio Plus is reinvested when earned and recorded monthly. Interest earned at Home Savings & Loan and Farmers National Bank on certificates of deposits is compounded quarterly, which is re-invested until maturity, reported and recorded yearly. The Farmers National Bank primary checking account recorded interest paid on a monthly basis and sweeps funds into a money market account that pays the same interest as Star Ohio Plus. The primary checking account must maintain a balance of \$325,000 to remain fee free, thereby sweeping the balance to a money market account to earn the best possible interest available to keep account as liquid as possible.

Securities form exist in physical or book-entry for investments in STAR Ohio Plus. STAR Plus is a cash management program that provides Ohio political subdivisions with access to hundreds of FDIC insured banks via one convenient account, offering participants full FDIC insurance up to \$15 million per account, a competitive yield, and weekly liquidity. The State Treasurer’s office has endorsed this new innovative program as a secure investment option for public funds managers with no exposure to credit or market risk. All deposits are backed by the full faith and credit of the U. S. Government. There is no term commitment on deposits. All deposits are held as overnight demand deposits with weekly access and daily purchase availability.

Investments in STAR Ohio Plus are valued at share price, which is the price value of the investment on December 31, 2018. The Township is required to keep open the STAR Ohio regular account that has a zero balance. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio’s share price, which is the price of the share if sold on December 31, 2018.

The Township allocates interest earnings to specific Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund in 2018 earned \$77,338, in 2017 earned \$41,130, and in 2016 earned \$37,957. Interest posted to other funds in 2018 was insignificant.

The Township’s investment policy specifies specific types of exposure risk. The Township’s investment policy is limited to complying with state statute.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As of December 31, 2018, the Township had the following investments:

	<u>Current Value</u>	<u>Maturity</u>
ALLY 24MTH	\$ 150,000	03/25/2019
AMERICAN EXPRESS	\$ 100,000	04/22/2019
BARCLAY 5YR	\$ 250,000	11/08/2022
BMW 2YR	\$ 220,000	03/25/2019
BMW 5YR	\$ 30,000	07/17/2020
CAP ONE USA	\$ 225,000	04/20/2020
CAPITAL 1	\$ 25,000	07/01/2020
CAPITAL NA	\$ 250,000	08/26/2020
CITIBANK 3 YR	\$ 250,000	08/03/2021
DISCOVER 5YR	\$ 245,000	07/22/2020
FNB 60 MTH	\$ 184,831	03/04/2021
GOLDMAN 3	\$ 75,000	07/01/2020
GOLDMAN 5YR	\$ 150,000	04/26/2022
JP MORGAN	\$ 175,000	08/31/2020
STAR OHIO PLUS	\$ 484,784	None
USB 2YR	\$ 250,000	10/29/2020
WELLS 4YE	<u>\$ 250,000</u>	10/26/2022
Total Portfolio	<u>\$3,314,615</u>	

Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets are comprised of those fund balances in the Township’s major funds and other funds, excluding the General Fund. Those assets are restricted for use within the respective funds. The Township has thirteen funds at year-end with a total carry-over balance of \$4,530,632 of which \$513,131 are restricted funds and in 2017 had a carry-over balance of \$4,405,509 of which \$590,636 were restricted funds.

Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements. Inventories resulting from cash transactions are presented at cost on a first-in, first-out basis and are reported as disbursement when used. Prepaid items are reported as disbursements.

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inter-fund Receivables/Payables

The Township reports advances-in and advances-out for inter-fund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

The fund financial statements report outstanding inter-fund loans as inter-fund receivables/payables. Inter-fund loans which do not represent available expendable resources are classified as non-spendable fund balance. Inter-fund balances are eliminated in the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, certain employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's modified cash basis of accounting.

Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 10 and 11, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Long-Term Obligations

The Township's modified cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither other financing source nor capital outlay expenditure is reported at inception. Lease payments are reported when paid.

Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net positions are available.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follow:

Non-spendable The non-spendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of inter-fund loans.

Restricted Fund balance is reported as 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance (Continued)

Committed The committed fund balance classification includes amounts can only be used for the specific purposes imposed by formal action (resolution) of the Township Trustees. Those committed amounts cannot be used for any other purpose unless the Township Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not contained 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.

Inter-fund Transactions

Transfers between governmental funds on the government-wide financial statements are reported in the same manner as general receipts.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in governmental funds and after non-operating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

NOTE 3 – ACCOUNTABILITY AND COMPLIANCE

Accountability

The Road Fund has been consistently in deficit spending for several years. The General Fund subsidized the Road Fund by \$75,000 in 2018 and \$100,000 in 2017, which shows that the Board is making progress in reducing expenses. Although the Township did not purchase any new vehicles in 2018, the Road Fund did make principal payments of \$51,581 and interest payments of \$3,807 for one 2018 International and one 2015 International. The Road Fund also made principal payments of \$9,286 on two OPWC loans.

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General and Road District Funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the modified cash basis are outstanding year-end encumbrances, which are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (modified cash basis).

NOTE 5 – DEPOSITS AND INVESTMENTS

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including Negotiable Order of Withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim monies held and invested by the Township are in accordance with the investment policy established in August of 2009:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities. Bonds and other obligations of the State of Ohio or Ohio local governments;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed ninety days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments.
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio & STAR Ohio Plus)

Investments in stripped principal or interest obligations reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An *investment* must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Fiscal Officer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

NOTE 5 – DEPOSITS AND INVESTMENTS (Continued)

Deposits

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the Township and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least one hundred five percent of the deposits being secured; or participation in 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. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Interest Rate Risk: Interest rate risk arises because the fair value of investments changes as interest rates change. The Township's investment policy does address interest rate risk. The Township invested all available funds, since the current market made it possible for the Township to earn significant earnings as reflected in the financials.

Credit Risk: STAR Ohio carries a rating of AAAM by Standard and Poor's. The Township's investment policy is limited to requiring compliance with state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township has limited custodial credit risk and has an investment policy dealing with custodial risk.

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 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.

The full tax rate for all Township operations for the year ended December 31, 2018, was \$2.75 per \$1,000 of assessed value.

NOTE 7 – CAPITAL ASSETS

The Township to remain in compliance with OAC 117-2-02 records capital asset activities, but the reports are not available in electronic form. The Township has an aging tracking report that tracks all major equipment and vehicles for future replacement of these items.

NOTE 8 – TRANSFERS

During 2018, \$75,000 was transferred to the Road District Fund from the General Fund. This transfer was from unrestricted receipts collected in the General Fund and will not be paid back since the funds were used for the daily operations of the Public Works Department and the fund will not receive enough funds to maintain normal operations of that fund.

NOTE 9 – RISK MANAGEMENT

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. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles. The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

During 2018, the Township contracted with OTARMA for various types of insurance coverage as follows:

Company	Type of Coverage	Coverage
OTARMA/Burnham & Flowers	Property	\$1,911,600
OTARMA/Burnham & Flowers	Commercial Umbrella Liability	2,000,000
OTARMA/Burnham & Flowers	Crime	5,000
OTARMA/Burnham & Flowers	Extra Expense	5,000
OTARMA/Burnham & Flowers	General Liability, in aggregate	2,000,000
OTARMA/Burnham & Flowers	General Liability, per occurrence	100,000
OTARMA/Burnham & Flowers	Fleet Insurance, single limit	100,000
OTARMA/Burnham & Flowers	Fleet Insurance, uninsured	100,000
OTARMA/Burnham & Flowers	Employee Dishonesty	5,000
OTARMA/Burnham & Flowers	Boiler and Machinery	1,971,600
OTARMA/Burnham & Flowers	Spoilage	25,000
OTARMA/Burnham & Flowers	Water Damage	1,000,000
OTARMA/Burnham & Flowers	Hazardous Substance	100,000
OTARMA/Burnham & Flowers	Ammonia Contamination	100,000
OTARMA/Burnham & Flowers	Off Premises Services Interruption	25,000
OTARMA/Burnham & Flowers	Public Officials Bond	10,000

Settled claims have not exceeded coverage in any of the last three years and there was no reduction in coverage from the prior year.

Employee Risk: The Township pays the Ohio State Workers' Compensation System for work related injuries. In 2018, the Township paid a premium of \$8,328 and received credits of \$3,447 based on a rate of .019398 per \$100 of salaries and paid in 2017 \$5,029 and received credits of \$4,268. The credits were due to changes at the bureau that should stabilize in the future. OBWC calculated the rate based on accident history and administrative costs. The Township has CareWorks to administer and pays all claims. The Township was claim free in 2018.

The Township pays 100% of the bargaining unit's health insurance coverage thru the Teamsters H&W System. The total cost paid for coverage was \$27,808 in 2018 and \$36,746 in 2017 to cover three employees. In order for the Township to match coverage for its non-bargaining unit employees', the Township is self-insured for a portion of the *health insurance coverage*. The elected officials' and non-bargaining unit employees' medical health insurance has a higher deductible to lower the cost and by using a third party administrator to closely match bargaining unit benefits. Total exposure liability to the Township is approximately \$1,000 for single, \$3,000 for family coverage per employee. If a non-bargaining unit employee opts out of network service, they would have no coverage and the Township would have no exposure. Total exposure in 2018 was \$89,135 and 2017 was \$83,500 for four non-bargaining unit employees. The Township pays for the full cost of medical health insurance, life insurance, dental, eye care, AD&H and cancer insurance policies for all full-time employees, one part-time employee and three elected officials. All other insurances total \$3,715 respectfully.

Canfield Township
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 10 – DEFINED BENEFIT PENSION PLAN

Plan Description – Township employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement, and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan. Substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 w ith 60 months of service credit or Age 55 w ith 25 years of service credit	Age and Service Requirements: Age 60 w ith 60 months of service credit or Age 55 w ith 25 years of service credit	Age and Service Requirements: Age 57 w ith 25 years of service credit or Age 62 w ith 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 w ith 25 years of service credit or Age 52 w ith 15 years of service credit	Age and Service Requirements: Age 48 w ith 25 years of service credit or Age 52 w ith 15 years of service credit	Age and Service Requirements: Age 52 w ith 25 years of service credit or Age 56 w ith 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 w ith 15 years of service credit	Age and Service Requirements: Age 48 w ith 25 years of service credit or Age 52 w ith 15 years of service credit	Age and Service Requirements: Age 48 w ith 25 years of service credit or Age 56 w ith 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

Final average Salary (FAS) represents the average of the three highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member’s career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost-of-living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local	Public Safety	Law Enforcement
2018 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
2018 Actual Contribution Rates			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits	0.0	0.0	0.0
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %
* This rate is determined by OPERS' Board and has no maximum rate established by ORC.			
** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.			

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Township’s 14% share for 2018 was \$48,264 and in 2017 was \$44,907, and on 2016 was \$41,606. The Township paid negotiated union fringe benefits at 10% of \$12,078 in 2018, \$11,231 in 2017 that are not included in the normal contributions at 10%. The 10% of non-union employee contributions was \$22,396 in 2018 and in 2017 was \$20,846.

NOTE 11 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension plan must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2018, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

Canfield Township
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 12 – DEBT

The Township's long-term debt activity for the year ending December 31, 2018, was as follows:

<u>Governmental Activities</u>	Rate	Balance 12/31/2017 (Restated)	Additions	Reductions on Principal	Balance 12/31/2018	Due Within One Year
2015 International Issued 2014						
PNC Finance, LLC	2.95%	\$ 26,333	\$ -	\$ 26,333	\$ -	\$ -
PHEASANT RUN CULVERT: Issued 2015 - Final 1/2020						FINAL 1/2020
OPWC CT14T	0.00%	\$ 10,377	\$ -	\$ 4,151	\$ 6,226	\$ 4,151
Community Park Original Issued 2006 (\$856,000) (rewrite) Final 4/2020						FINAL 4/2020
Home H&L	2.40%	\$ 144,355	\$ -	\$ 57,452	\$ 86,903	\$ 60,627
2018 International Plow Truck Issued 2017 Final payment 9/2022						FINAL 9/2022
Farmers National Bk	2.37%	\$ 132,472	\$ -	\$ 25,248	\$ 107,224	\$ 28,279
Starr Centre Phase I: Issued 2017 – Final payment 7/2027						FINAL 7/2027
OPWC CF14T	0.00%	\$ 51,351	\$ -	\$ 5,135	\$ 46,216	\$ 5,135
TOTAL DEBT AT END OF 2019		\$ 364,888	\$ -	\$ 118,319	\$ 246,569	\$ 98,192

Canfield Township
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 12 – DEBT (Continued)

The following is a summary of the Township's future annual debt service requirements.

Year	Pheasant Run	Community		Starr
	Culvert	Park		Centre
	Principal	Principal	Interest	Principal
2019	4,151	58,884	1,743	5,135
2020	2,075	28,019	359	2,568
2021	-	-	-	5,135
2022	-	-	-	5,135
2023	-	-	-	5,135
2024-2028	-	-	-	23,108
	<u>\$ 6,226</u>	<u>\$ 86,903</u>	<u>\$ 2,102</u>	<u>\$ 46,216</u>

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Township. The Revised Code further provides that total voted and un-voted net debt of the Township less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation.

NOTE 13 – LEASES

Lease to purchase of 2018 International Plow Truck with Farmers National Bank at two payment per year for \$14,139.39.

Year	Lease	
	Principal	Interest
2019	25,858	2,421
2020	26,478	1,801
2021	27,123	1,156
2022 Final	27,765	500
Totals	<u>\$107,224</u>	<u>\$5,878</u>

NOTE 14 – INTER-FUND TRANSFERS

During 2018, the following are transfers made from the General Fund:

Major Governmental Fund (Road Fund)	\$75,000
Major Governmental Funds (OPWC)	<u>55,376</u>
Total Transfers from the General Fund	<u>\$130,376</u>

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 15 – CONTINGENT LIABILITIES

Amounts that grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors 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 16 – SUBSEQUENT EVENTS

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

Canfield Township
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

NOTE 17 – RESTATEMENT OF FUND BALANCES

The Township’s fund cash balances at January 1, 2018 have been restated for correction of an error in the prior year audit adjustment related to the Zoning Fund, as well as for a check from Fiscal Year 2017 that was voided in 2018. This restatement resulted in the following changes in fund balances at January 1, 2018:

	<u>General Fund</u>	<u>Road District Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balance at December 31, 2017 as Previously Reported	\$3,814,873	\$33,235	\$557,284	\$4,405,392
Error in Prior Year Audit Adjustment Related to the Zoning Fund	43,487	-	(43,487)	-
Voided Check 12231 dated 12/29/2017 in 2018	-	117	-	117
Fund Balance January 1, 2018 as Restated	<u>\$3,858,360</u>	<u>\$33,352</u>	<u>\$513,797</u>	<u>\$4,405,509</u>

The balance of the Community Park debt through Home H&L was also restated from the prior report balance of \$146,260 to the beginning 2018 balance of \$144,355 (a difference of \$1.905) to agree to the balance provided by the financial institution.

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

July 19, 2021

Canfield Township
Mahoning County
21 S. Broad Street
Canfield, Ohio 44406

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 modified cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Canfield 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, which collectively comprise the Township's basic financial statements and have issued our report thereon dated July 19, 2021, wherein we noted the Township uses a special purpose framework other than generally accepted accounting principles and we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) 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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of audit findings that we consider a material weakness. We consider finding 2019-001 to be a material weakness.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
Members: American Institute of Certified Public Accountants
• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

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 communication is not suitable for any other purpose.



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

**CANFIELD TOWNSHIP
MAHONING COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2019-001

Material Weakness

Financial Reporting

Accurate financial reporting is the responsibility of the Fiscal Officer and is essential to ensure information provided to the readers of the financial statements is accurate. Fund balances should be properly classified based on Governmental Accounting Standards Board (GASB) Statement No. 54: Fund Balance Reporting and Governmental Fund Type Definitions. Footnote disclosures should be accurate based on underlying source documentation and governmental accounting standards.

The following errors with the Township's annual financial report were noted:

- An audit adjustment proposed in the 2016-2017 audit increasing the General Fund balance and decreasing the Road District Fund balance by \$14,000 was not made in 2018 or 2019. This adjustment has been repropounded in the 2018-2019 audit;
- The Road District Fund was not properly reported as a Major Fund in 2018 and was instead included in the Other Governmental Funds totals. All amounts for the Road District Fund have been broken out and reported in a separate column on the audited financial statements;
- Payments from the ABC Water and Stormwater District were recorded as Miscellaneous when they should have been recorded as Intergovernmental in the General Fund in 2019;
- Other Debt Proceeds and a corresponding Capital Outlay for new debt issued were not recorded in the Road District Fund in 2019;
- Trivial adjustments were made between Principal Retirement and Interest and Fiscal Charges in the General Fund in 2018 and the Road District Fund in 2019 and 2018 to agree to the respective amount as reported in the debt note;
- A custodial fund for receipts and disbursements related to fire loss was reported, however this fund should have been classified as a Special Revenue Fund. The custodial fund has been adjusted to be a part of the Other Governmental Funds balance in 2019;
- The balance of the General Fund should have been partially Assigned in 2019 due to subsequent year appropriations exceeding estimated receipts; and
- Adjustments were made to the Government-Wide financial statements in relation to the adjustments to the fund statements noted above.

Not posting receipts and disbursements accurately resulted in the financial statements requiring several reclassifications and adjusting entries. The financial statements reflect all reclassifications and adjustments. The Township has made all adjustments to its accounting system.

**CANFIELD TOWNSHIP
MAHONING COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2019-001 (Continued)

Material Weakness (Continued)

Financial Reporting (Continued)

The following changes were made to the notes to the financial statements:

- Updated Summary of Significant Accounting Policies Note to remove references to Business-Type Activities, Proprietary, and Fiduciary Funds, to update the description of modifications made for the modified cash-basis, to adjust budgetary tables for audit adjustments noted above, to update the Restricted amount in the Restricted Assets disclosure, to remove information regarding Capital Assets as they are not reported on the Government-Wide Statements, and to update the Net Position disclosure to remove information regarding Net Investment in Capital Assets;
- Removed the Change in Basis of Accounting and Restatement of Net Position/Fund Equity Note as the changes reported were only the change in net position for the year;
- Updated Deposits and Investments Note to include information regarding OPCS;
- Updated Defined Benefit Pension Plan and Postemployment Benefits Notes to accurately report the required information;
- Updated Debt and Leases Notes to include correct debt activity and to correct the amortization schedules;
- Added Restatement of Fund Balances Note in 2018; and
- Added Subsequent Events Note for COVID-19.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues and expenses are properly identified and classified on the financial statements. The Township should also ensure all applicable footnote disclosures are accurately reported.

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

Officials' Response – We did not receive a response from Officials to this finding.

TOWNSHIP OF CANFIELD

MAHONING COUNTY, OHIO

TRUSTEES
Brian Governor
Marie Izzo Cartwright
Joseph Paloski

FISCAL OFFICER
Denise Joseph



MEETINGS
Second & Fourth Tuesday
Township Hall
21 S. Broad Street
Canfield, OH 44406
330-533-4239
330-533-1085 fax

SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Finding Number	Finding Summary	Status	Additional Information
2017-001	Posting Receipts, and Fund Balance Classification	Not Corrected	Repeated as Finding 2019-001

OHIO AUDITOR OF STATE KEITH FABER



CANFIELD 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 9/28/2021

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