



**TWINSBURG TOWNSHIP  
SUMMIT COUNTY  
REGULAR AUDIT  
FOR THE YEAR ENDED DECEMBER 31, 2020**

313 Second St.  
Marietta, OH 45750  
740 373 0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304 422 2203

150 W. Main St., #A  
St. Clairsville, OH 43950  
740 695 1569

1310 Market St., #300  
Wheeling, WV 26003  
304 232 1358

749 Wheeling Ave., #300  
Cambridge, OH 43725  
740 435 3417

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OHIO AUDITOR OF STATE  
KEITH FABER



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Columbus, Ohio 43215  
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(800) 282-0370

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

We have reviewed the *Independent Auditor's Report* of Twinsburg Township, Summit County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2020 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber  
Auditor of State  
Columbus, Ohio

January 20, 2022

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**TWINSBURG TOWNSHIP  
SUMMIT COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

December 3, 2021

Twinsburg Township  
Summit County  
1790 Enterprise Parkway  
Twinsburg, OH 44087

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2020, and related notes of **Twinsburg Township**, Summit County, Ohio (the Township).

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

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

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

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2020, and the respective changes in financial position thereof for the year then ended.

***Opinion on Regulatory Basis of Accounting***

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

***Emphasis of Matters***

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. Also, as discussed in Note 15 to the financial statements, the Township made changes to their cash basis reporting model. We did not modify our opinion regarding these matters.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 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

**TWINSBURG TOWNSHIP  
SUMMIT COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 302,871	\$ 2,143,390	\$ -	\$ 2,446,261
Licenses, Permits and Fees	123,400	-	-	123,400
Fines and Forfeitures	11,021	-	-	11,021
Intergovernmental	2,271,382	862,370	384,377	3,518,129
Special Assessments	4,260	-	-	4,260
Earnings on Investments	26,375	619	-	26,994
Miscellaneous	49,846	-	-	49,846
	<b>2,789,155</b>	<b>3,006,379</b>	<b>384,377</b>	<b>6,179,911</b>
<i>Total Cash Receipts</i>				
<b>Cash Disbursements</b>				
Current:				
General Government	1,327,191	247,396	-	1,574,587
Public Safety	-	1,409,926	-	1,409,926
Public Works	207,136	433,922	1,064,500	1,705,558
Conservation-Recreation	93,284	-	-	93,284
Capital Outlay	8,672	481,540	15,046	505,258
Debt Service:				
Principal Retirement	623,668	-	-	623,668
Interest and Fiscal Charges	119,426	-	-	119,426
	<b>2,379,377</b>	<b>2,572,784</b>	<b>1,079,546</b>	<b>6,031,707</b>
<i>Total Cash Disbursements</i>				
<i>Excess of Receipts Over (Under) Disbursements</i>	<b>409,778</b>	<b>433,595</b>	<b>(695,169)</b>	<b>148,204</b>
<b>Other Financing Receipts (Disbursements)</b>				
Other Debt Proceeds	-	-	15,046	15,046
Sale of Capital Assets	25,000	53,100	-	78,100
Transfers In	-	100,000	680,123	780,123
Transfers Out	(780,123)	-	-	(780,123)
Other Financing Sources	5	-	-	5
Other Financing Uses	(397)	-	-	(397)
	<b>(755,515)</b>	<b>153,100</b>	<b>695,169</b>	<b>92,754</b>
<i>Total Other Financing Receipts (Disbursements)</i>				
<i>Net Change in Fund Cash Balances</i>	<b>(345,737)</b>	<b>586,695</b>	<b>-</b>	<b>240,958</b>
<i>Fund Cash Balances, January 1 (Restated, See Note 14)</i>	<b>1,728,810</b>	<b>3,919,062</b>	<b>-</b>	<b>5,647,872</b>
<i>Fund Cash Balances, December 31</i>	<b>\$ 1,383,073</b>	<b>\$ 4,505,757</b>	<b>\$ -</b>	<b>\$ 5,888,830</b>

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

**Twinsburg Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**NOTE 1 – REPORTING ENTITY**

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

***Joint Ventures, Public Entity Risk Pools and Related Organizations***

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

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

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

***Fund Accounting***

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

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

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

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

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

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

***4401 Heights #14 Fund:*** This fund receives money from grants and General Fund Transfers and is used to pay for services provided by outside contractors on the Heights Allotment Road Reconstruction Project Phase 14.

**Twinsburg Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4402 Heights #15 Fund:** This fund receives money from grants and General Fund Transfers and is used to pay for services provided by outside contractors on the Heights Allotment Road Reconstruction Project Phase 15.

***Basis of Accounting***

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

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

***Budgetary Process***

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

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

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

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

A summary of 2020 budgetary activity appears in Note 3.

***Deposits and Investments***

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively. The Township uses only interest bearing checking and traditional CD's as deposit instruments. Certificates of deposit are valued at cost.

***Capital Assets***

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

***Accumulated Leave***

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

**Twinsburg Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Fund Balance***

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

***Nonspendable*** The Township classifies assets as nonspendable when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

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

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

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

**Twinsburg Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**NOTE 3 – BUDGETARY ACTIVITY**

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

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,691,597	\$ 2,814,160	\$ 122,563
Special Revenue	3,173,331	3,159,479	(13,852)
Capital Projects	4,207,654	1,079,546	(3,128,108)
Total	\$ 10,072,582	\$ 7,053,185	(3,019,397)

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 4,120,815	\$ 3,597,781	\$ 523,034
Special Revenue	2,895,540	2,657,509	238,031
Capital Projects	1,235,575	1,250,622	(15,047)
Total	\$ 8,251,930	\$ 7,505,912	\$ 746,018

**NOTE 4 - DEPOSITS**

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

	2020
<b>Cash Management Pool:</b>	
Demand deposits	\$ 4,084,855
Certificates of deposit	1,803,975
Total deposits	\$ 5,888,830

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings.

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

**Twinsburg Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**NOTE 5 - TAXES**

***Property Taxes***

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

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

**NOTE 6 – RISK MANAGEMENT**

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

***Workers' Compensation***

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

***Risk Pool Membership***

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

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of actuarially-measured liabilities and the assets available to pay those liabilities as of December 31:

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

**Twinsburg Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**NOTE 7 – DEFINED BENEFIT PENSION PLANS**

***Ohio Public Employees Retirement System***

The Township’s elected officials and employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement health care and survivor and disability benefits. The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2020.

**NOTE 8 – POSTEMPLOYMENT BENEFITS**

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

**NOTE 9 – DEBT**

***SIB Loans***

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

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

	Balance Outstanding 131/2020	Additions	Deletions	Balance Outstanding 12/31/2020	Interest Rate
SIB, Series 2013	\$ 924,969	\$ -	\$254,515	\$ 670,454	3.0%
SIB, Series 2017	1,839,282	-	335,750	1,503,532	3.0%
SIB, Series 2018	1,037,627	15,046	33,403	1,019,270	3.0%
	<u>\$3,801,878</u>	<u>\$ 15,046</u>	<u>\$623,668</u>	<u>\$3,193,256</u>	

**Twinsburg Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**NOTE 9 – DEBT (Continued)**

***Amortization***

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

Year Ending December 31:	Principal	Interest	Total
2021	\$ 445,816	\$ 70,784	\$ 516,600
2022	576,311	78,133	654,444
2023	453,545	60,714	514,259
2024	324,966	49,108	374,074
2025	334,788	39,286	374,074
2026-2030	822,554	82,912	905,466
2031-2033	235,276	10,692	245,968
Total	\$ 3,193,256	\$ 391,629	\$ 3,584,885

***Leases***

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

In September 2017 the Township entered into a five-year lease with Pitney Bowes, to lease a postage machine and scale for Township use. In accordance with the lease agreement, the Township makes \$197.75 quarterly payments to Pitney Bowes beginning in October 2017 and ending in September 2022.

In 2013, the Township entered into a two-year lease with Guardian Alarm Company, to lease an access management system for Township facilities. In accordance with the lease agreement, the Township makes \$263 monthly payments to Guardian Alarm Company beginning in March 2013 and ending in February 2015. Beginning in March 2015 and since that date, the lease has continued on a month to month basis. In 2020, the Township entered into an installation and rental agreement with Guardian Alarm Company, for a new access management system for Township facilities. In accordance with the agreement, the Township will make a \$5,304.00 payment to Guardian Alarm Company in 2021 and will make \$3,479.52 annual payments to Guardian Alarm Company beginning in 2021 and ending in 2025.

In July 2019, the Township entered into a five-year lease with KS State Bank, a financing lender for Utility Truck Equipment, an equipment dealer, to lease a bucket truck to increase overall Service Department efficiency. In accordance with the lease agreement, the Township was to make an \$11,907.50 payment to KS State Bank in 2019 (upon delivery) and was to make \$23,681.85 annual payments to KS State Bank, beginning in 2020 and ending in 2024. Delivery did not occur, however, until 2020, so the initial payment was made in 2020, and the annual payments will be made beginning in 2021 and ending in 2025.

**NOTE 10 – CONTINGENT LIABILITIES**

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Twinsburg Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**NOTE 11 – FUND BALANCES**

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

Fund Balances	General	Special Revenue	Capital Projects	Total
Outstanding Encumbrances	437,884	\$ 84,725	\$ 171,076	\$ 693,685
Total	<u>\$437,884</u>	<u>\$ 84,725</u>	<u>\$ 171,076</u>	<u>\$ 693,685</u>

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

**NOTE 12 – JOINT VENTURE**

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

**NOTE 13 – RELATED ORGANIZATION**

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

**NOTE 14 – RESTATEMENT OF BEGINNING FUND BALANCE**

The General Fund balances were restated as of January 1, 2020 due to prior period checks that were voided in 2020. The effect of the restatement is noted below.

	General Fund
Ending Fund Balance at December 31, 2019	\$ 1,728,623
Restatement	187
Restated Fund Balance January 1, 2020	<u>\$ 1,728,810</u>

**Twinsburg Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**NOTE 15 – CHANGE IN ACCOUNTING PRINCIPLE**

For 2020, the Township has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds and removing the fund balance classifications from the Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types.

**NOTE 16 – COVID-19**

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

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

December 3, 2021

Twinsburg Township  
Summit County  
1790 Enterprise Parkway  
Twinsburg, OH 44087

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2020, and the related notes of the Twinsburg Township, Summit County, (the Township) and have issued our report thereon dated December 3, 2021, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Township and changes in the regulatory basis reporting model.

**Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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 determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

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

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

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

**TWINSBURG TOWNSHIP  
SUMMIT COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2020**

Finding Number	Finding Summary	Status	Additional Information
2019-001	Posting Receipts and Disbursements	Corrected	N/A

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# OHIO AUDITOR OF STATE KEITH FABER



**TWINSBURG TOWNSHIP**

**SUMMIT COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 2/1/2022**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)