



**FAIRFIELD TOWNSHIP  
COLUMBIANA COUNTY  
REGULAR AUDIT  
FOR THE YEARS ENDED DECEMBER 31, 2019-2018**

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

[www.perrycpas.com](http://www.perrycpas.com)



OHIO AUDITOR OF STATE  
KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
IPAReport@ohioauditor.gov  
(800) 282-0370

Township Trustees  
Fairfield Township  
3062 Fairfield School Road  
Columbiana, Ohio 44408

We have reviewed the *Independent Auditor's Report* of Fairfield Township, Columbiana 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. The Fairfield Township is responsible for compliance with these laws and regulations.

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

Keith Faber  
Auditor of State  
Columbus, Ohio

April 20, 2021

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FAIRFIELD TOWNSHIP  
COLUMBIANA COUNTY

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313 Second St.  
Marietta, OH 45750  
740.373.0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304.422.2203

150 West Main St.  
St. Clairsville, OH 43950  
740.695.1569

1310 Market Street, Suite 300  
Wheeling, WV 26003  
304.232.1358

749 Wheeling Ave., Suite 300  
Cambridge, OH 43725  
740.435.3417

## INDEPENDENT AUDITOR'S REPORT

January 29, 2021

Fairfield Township  
Columbiana County  
3062 Fairfield School Road  
Columbiana, Ohio 44408

To the Board of Trustees:

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

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of **Fairfield Township**, Columbiana County, Ohio (the Township) as of and for the years ended December 31, 2019 and 2018.

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

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

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

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

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

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

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 opinions on this accounting basis are in the *Additional Opinion Qualification* and *Unmodified Opinions* paragraphs below.

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2019 and 2018, and the respective changes in financial position thereof for the years then ended.

***Basis for Additional Opinion Qualification***

The Township reported the Cemetery Bequest Funds, totaling \$6,583 and \$6,439 at December 31, 2019 and 2018, respectively, and representing 100 percent of the ending fund balance of the Permanent Fund, without obtaining the trust agreements to support this classification. We were unable to obtain sufficient appropriate audit evidence supporting the amounts recorded as Permanent Fund Cemetery Bequest Funds. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

***Additional Opinion Qualification***

In our opinion, except for the possible effects of the matter described in the *Basis for Additional Opinion Modification* paragraph, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements of the permanent fund of Fairfield Township, Columbiana County, as of December 31, 2019 and 2018, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Unmodified Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type for the General, Special Revenue and Capital Projects funds, and related notes of Fairfield Township, Columbiana County as of December 31, 2019 and 2018, and for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Emphasis of Matter***

As discussed in Note 10 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 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.

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

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



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

	General	Special Revenue	Capital Projects	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$ 92,586	\$ 665,110	\$ -	\$ -	\$ 757,696
Licenses, Permits and Fees	32,971	-	-	-	32,971
Intergovernmental	84,687	221,143	-	-	305,830
Earnings on Investments	57,885	11,770	-	144	69,799
Miscellaneous	5,735	3,696	-	-	9,431
<i>Total Cash Receipts</i>	<u>273,864</u>	<u>901,719</u>	<u>-</u>	<u>144</u>	<u>1,175,727</u>
<b>Cash Disbursements</b>					
Current:					
General Government	294,255	-	-	-	294,255
Public Safety	-	133,568	-	-	133,568
Public Works	-	886,750	-	-	886,750
Health	11,377	3,176	-	-	14,553
Conservation-Recreation	2,372	-	-	-	2,372
Capital Outlay	-	-	8,490	-	8,490
<i>Total Cash Disbursements</i>	<u>308,004</u>	<u>1,023,494</u>	<u>8,490</u>	<u>-</u>	<u>1,339,988</u>
<i>Net Change in Fund Cash Balances</i>	(34,140)	(121,775)	(8,490)	144	(164,261)
<i>Fund Cash Balances, January 1</i>	<u>1,327,058</u>	<u>1,458,134</u>	<u>340,227</u>	<u>6,439</u>	<u>3,131,858</u>
<b>Fund Cash Balances, December 31</b>					
Nonspendable	-	-	-	5,950	5,950
Restricted	-	1,336,359	-	633	1,336,992
Committed	-	-	331,737	-	331,737
Assigned	958,168	-	-	-	958,168
Unassigned	334,750	-	-	-	334,750
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,292,918</u>	<u>\$ 1,336,359</u>	<u>\$ 331,737</u>	<u>\$ 6,583</u>	<u>\$ 2,967,597</u>

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

**FAIRFIELD TOWNSHIP**  
**COLUMBIANA COUNTY**

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

**Note 1 – Reporting Entity**

The Constitution and laws of the State of Ohio establish the rights and privileges of Fairfield Township, Columbiana County, OH as a body cooperate and politic. A publicly-elected three-member Trustee Board directs the Township. The Township provides the following:

The Township maintains the Government Center property (3062 Fairfield School Road) where the Administration office is located, as well as an attached equipment maintenance garage. At this located there is also a fuel tank w/fencing; an equipment storage building; an 8-bay vehicle storage building with security fencing located behind this building; a liquid storage building and a salt storage building at this location.

The Township - provides fire protection by contracting with three fire departments - The City of Columbiana –Village of Leetonia & the Village of New Waterford all located in Columbiana County, OH.

The Township maintains 48.215 miles of roads, 6 cemeteries, a small public park, a lake (Old School Lake) that is used for fire protection; and Twp. property located on SR 7 that is used by local baseball/softball teams; and the Township is establishing Headwaters Nature Trail located behind the Township Government Center, at 3062 Fairfield School Road (a work in process).

***Public Entity Risk Pool***

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA) for its insurance protection. Broad definition of a member includes – any member of the governing body, boards or commission, elected or appointed officials, employee acing within the scope of the employment & any volunteer or student who performs a service at the township’s request. Also includes, Legal, Liability, Wrongful Acts, Automobile & Real & Personal Property.

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 government 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 & accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

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

**FAIRFIELD TOWNSHIP**  
**COLUMBIANA COUNTY**

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

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**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 has the following significant Special Revenue Funds.

**Motor Vehicle** Monies received by the Township for Motor Vehicle License Tax and is used for construction, maintenance and repairs of township roads.

**Gas Tax Fund** The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for the maintenance and repair of roads within the township.

**Road and Bridge Fund** The Road and Bridge Fund accounts for and reports that portion of the County sales tax restricted for maintaining and repairing Township roads and equipment.

**Cemetery Fund** Monies received to be spent specifically on cemetery expenses.

**Fire District Fund** This fund receives 100% of the Fire District monies received from the 1.5 mill fire levy & approved by the residents of the Fairfield Township Fire District. These funds are restricted for fire protection & prevention of fires.

**Road District Levy** This fund receives 100% of The Road District Fund monies received from the 1.6 mill road levy approved by the residents of the Fairfield Township Road District. These levy monies are restricted for general construction, reconstruction, resurfacing and repair of roads & bridges.

**Motor Vehicle License Tax Fund** The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the township.

**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:

**Capital Project Fund #4901** This account was established with monies received in 1998 from Estate Tax and it was isolated strictly for improvements at The Government Center Property - 3062 Fairfield School Road. As of January 1, 2010 no more deposits were to be made. But continue to use fund for Government Center upgrades.

**Capital Project Fund #4902** This account was established in 2007 with Estate Tax monies received from Mahoning County – It was designated for equipment.

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

**FAIRFIELD TOWNSHIP**  
COLUMBIANA COUNTY

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

**Note 2 – Summary of Significant Accounting Policies (Continued)**

		<b>2019</b>
Baker Cemetery Bequest	Partially Non-spendable	\$ 250
Ferrall Cemeter Bequest	Partially Non-spendable	4,500
Koch-Hoffstat Cemetery Bequest	Partially Non-spendable	1,200
Permanent Fund Total		\$ 5,950

Balance may be spent for upkeep of the Township’s cemeteries.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of ORC Section 117.38 and Ohio Administrative Code Section 11-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentation 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 ORC117.38 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 may annually approve appropriation measures and subsequent amendments. Appropriations lapse at year-end.

**Estimated Resources** include estimates of cash to be received (budgeted receipts) plus 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 canceled and re-appropriated in the subsequent year.

A summary of 2019 budgetary activity appears in Note 3.

***Deposits and Investments***

The Township’s accounting basis includes investments as assets. All funds are originally deposited into PNC Bank and funds, not presently needed, are automatically swept to a PNC Money Market account, to earn interest. These monies are automatically swept back to the checking account to honor the debits that are obligated to be paid. The Township also has a STAR Ohio account for surplus monies.

***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.

**FAIRFIELD TOWNSHIP**  
**COLUMBIANA COUNTY**

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

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Accumulated Leave***

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

***Fund Balance***

The 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 as follows:

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

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

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

**Assigned** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed in the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by Resolution or State Statute.

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

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

**FAIRFIELD TOWNSHIP**  
COLUMBIANA COUNTY

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

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2019 follows:

<b>2019 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$ 294,751	\$ 273,864	\$ (20,887)
Special Revenue	927,700	901,719	(25,981)
Cemetery Bequests	48	144	96
Total	\$ 1,222,499	\$ 1,175,727	\$ (46,772)

<b>2019 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$ 1,248,000	\$ 308,004	\$ 939,996
Special Revenue	2,033,000	1,023,494	1,009,506
Capital Projects	319,000	8,490	310,510
Total	\$ 3,600,000	\$ 1,339,988	\$ 2,260,012

**Note 4 – Deposits and Investments**

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

	<b>2019</b>
Demand Deposits	\$ 67,340
STAR Ohio	2,900,257
Total Deposits and Investments	\$ 2,967,597

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

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**Note 5 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property Taxes are also reduced for applicable 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 the following June 20.

**FAIRFIELD TOWNSHIP**  
**COLUMBIANA COUNTY**

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

**Note 5 – Property Taxes (Continued)**

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

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

**Note 6 – Risk Management**

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

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

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

	<u>2019</u>
Cash and investments	\$ 35,207,320
Actuarial liabilities	\$ 10,519,942

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

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2019.

**FAIRFIELD TOWNSHIP**  
**COLUMBIANA COUNTY**

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

**Note 7 – Defined Benefit Pension Plans (Continued)**

***Social Security***

The Fire Prevention officer for the Township contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2019.

**Note 8 – Postemployment Benefits**

OPERS offers cost-sharing, multiple employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2019.

**Note 9 – 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.

**Note 10 – Subsequent Events**

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



**FAIRFIELD TOWNSHIP  
COLUMBIANA COUNTY**

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

	General	Special Revenue	Capital Projects	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$ 92,572	\$ 602,020	\$ -	\$ -	\$ 694,592
Licenses, Permits and Fees	33,287	-	-	-	33,287
Intergovernmental	80,614	245,011	-	-	325,625
Earnings on Investments	36,887	8,599	-	89	45,575
Miscellaneous	7,090	22,365	-	-	29,455
<i>Total Cash Receipts</i>	<u>250,450</u>	<u>877,995</u>	<u>-</u>	<u>89</u>	<u>1,128,534</u>
<b>Cash Disbursements</b>					
Current:					
General Government	273,434	-	-	-	273,434
Public Safety	-	128,928	-	-	128,928
Public Works	-	755,982	-	-	755,982
Health	-	15,645	-	-	15,645
Capital Outlay	-	160,635	-	-	160,635
<i>Total Cash Disbursements</i>	<u>273,434</u>	<u>1,061,190</u>	<u>-</u>	<u>-</u>	<u>1,334,624</u>
<i>Net Change in Fund Cash Balances</i>	(22,984)	(183,195)	-	89	(206,090)
<i>Fund Cash Balances, January 1 (Restated, Note 11)</i>	<u>1,350,042</u>	<u>1,641,329</u>	<u>340,227</u>	<u>6,350</u>	<u>3,337,948</u>
<b>Fund Cash Balances, December 31</b>					
Nonspendable	-	-	-	5,950	5,950
Restricted	-	1,458,134	-	489	1,458,623
Committed	-	-	340,227	-	340,227
Assigned	953,249	-	-	-	953,249
Unassigned	373,809	-	-	-	373,809
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,327,058</u>	<u>\$ 1,458,134</u>	<u>\$ 340,227</u>	<u>\$ 6,439</u>	<u>\$ 3,131,858</u>

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

**FAIRFIELD TOWNSHIP**  
**COLUMBIANA COUNTY**

*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED DECEMBER 31, 2018*

**Note 1 – Reporting Entity**

The Constitution and laws of the State of Ohio establish the rights and privileges of Fairfield Township, Columbiana County, OH as a body cooperate and politic. A publicly-elected three-member Trustee Board directs the Township. The Township provides the following:

The Township maintains the Government Center property (3062 Fairfield School Road) where the Administration office is located, as well as an attached equipment maintenance garage. At this located there is also a fuel tank w/fencing; an equipment storage building; an 8-bay vehicle storage building with security fencing located behind this building; a liquid storage building and a salt storage building at this location.

The Township - provides fire protection by contracting with three fire departments - The City of Columbiana –Village of Leetonia & the Village of New Waterford all located in Columbiana County, OH.

The Township maintains 48.215 miles of roads, 6 cemeteries, a small public park, a lake (Old School Lake) that is used for fire protection; and Twp. property located on SR 7 that is used by local baseball/softball teams; and the Township is establishing Headwaters Nature Trail located behind the Township Government Center, at 3062 Fairfield School Road (a work in process.).

***Public Entity Risk Pool***

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA) for its insurance protection. Broad definition of a member includes – any member of the governing body, boards or commission, elected or appointed officials, employee acing within the scope of the employment & any volunteer or student who performs a service at the township’s request. Also includes, Legal, Liability, Wrongful Acts, Automobile & Real & Personal Property.

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 government 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 & accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

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

**FAIRFIELD TOWNSHIP**  
**COLUMBIANA COUNTY**

*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED DECEMBER 31, 2018*  
*(CONTINUED)*

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**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 has the following significant Special Revenue Funds.

**Motor Vehicle** Monies received by the Township for Motor Vehicle License Tax and is used for construction, maintenance and repairs of township roads.

**Gas Tax Fund** The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for the maintenance and repair of roads within the township.

**Road and Bridge Fund** The Road and Bridge Fund accounts for and reports that portion of the County sales tax restricted for maintaining and repairing Township roads and equipment.

**Cemetery Fund** Monies received to be spent specifically on cemetery expenses.

**Fire District Fund** This fund receives 100% of the Fire District monies received from the 1.5 mill fire levy & approved by the residents of the Fairfield Township Fire District. These funds are restricted for fire protection & prevention of fires.

**Road District Levy** This fund receives 100% of The Road District Fund monies received from the 1.6 mill road levy approved by the residents of the Fairfield Township Road District. These levy monies are restricted for general construction, reconstruction, resurfacing and repair of roads & bridges.

**Motor Vehicle License Tax Fund** The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the township.

**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:

**Capital Project Fund #4901** This account was established with monies received in 1998 from Estate Tax and it was isolated strictly for improvements at The Government Center Property - 3062 Fairfield School Road. As of January 1, 2010 no more deposits were to be made. But continue to use fund for Government Center upgrades.

**Capital Project Fund #4902** This account was established in 2007 with Estate Tax monies received from Mahoning County – It was designated for equipment.

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

**FAIRFIELD TOWNSHIP**  
**COLUMBIANA COUNTY**

*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(CONTINUED)*

**Note 2 – Summary of Significant Accounting Policies (Continued)**

		<u>2018</u>
Baker Cemetery Bequest	Partially Non-spendable	\$ 250
Ferrall Cemeter Bequest	Partially Non-spendable	4,500
Koch-Hoffstat Cemetery Bequest	Partially Non-spendable	1,200
Permanent Fund Total		<u>\$ 5,950</u>

Balance may be spent for upkeep of the Township’s cemeteries.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of ORC Section 117.38 and Ohio Administrative Code Section 11-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentation 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 ORC117.38 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 may annually approve appropriation measures and subsequent amendments. Appropriations lapse at year-end.

**Estimated Resources** include estimates of cash to be received (budgeted receipts) plus 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 canceled and re-appropriated in the subsequent year.

A summary of 2018 budgetary activity appears in Note 3.

***Deposits and Investments***

The Township’s accounting basis includes investments as assets. All funds are originally deposited into PNC Business Enterprise Checking and funds, not presently needed, are automatically swept to a PNC Money Market account, to earn interest. These monies are automatically swept back to the checking account to honor the debits that are obligated to be paid. The Township also has a STAR Ohio account for surplus monies.

***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.

**FAIRFIELD TOWNSHIP**  
**COLUMBIANA COUNTY**

*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED DECEMBER 31, 2018*  
*(CONTINUED)*

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Accumulated Leave***

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

***Fund Balance***

The 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 as follows:

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

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

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

**Assigned** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed in the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by Resolution or State Statute.

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

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

**FAIRFIELD TOWNSHIP**  
COLUMBIANA COUNTY

*NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(CONTINUED)*

**Note 3 – Budgetary Activity**

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

<b>2018 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$ 172,295	\$ 250,450	\$ 78,155
Special Revenue	802,113	877,995	75,882
Cemetery Bequests	-	89	89
Total	\$ 974,408	\$ 1,128,534	\$ 154,126

<b>2018 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$ 1,140,000	\$ 273,434	\$ 866,566
Special Revenue	2,297,550	1,061,190	1,236,360
Capital Projects	162,450	-	162,450
Total	\$ 3,600,000	\$ 1,334,624	\$ 2,265,376

**Note 4 – Deposits and Investments**

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

	<b>2018</b>
Demand Deposits	\$ 298,024
STAR Ohio	2,833,834
Total Deposits and Investments	\$ 3,131,858

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

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**Note 5 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property Taxes are also reduced for applicable 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 the following June 20.

**FAIRFIELD TOWNSHIP**  
**COLUMBIANA COUNTY**

*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED DECEMBER 31, 2018*  
*(CONTINUED)*

**Note 5 - Property Taxes (Continued)**

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

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

**Note 6 – Risk Management**

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

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

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

	<u>2018</u>
Cash and investments	\$ 33,097,416
Actuarial liabilities	\$ 7,874,610

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

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants’ gross salaries. The Township has paid all contributions required through December 31, 2018.

***Social Security***

The Fire Prevention officer for the Township contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Township contributed an amount equal to 6.2 percent of participants’ gross salaries. The Township has paid all contributions required through December 31, 2018.

**FAIRFIELD TOWNSHIP**  
**COLUMBIANA COUNTY**

*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED DECEMBER 31, 2018*  
*(CONTINUED)*

**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 2018. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2018.

**Note 9 – 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.

**Note 10 – Subsequent Events**

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

**Note 11 – Prior Period Restatement**

The beginning balance for the Township's General Fund has been restated to account for an outstanding duplicate check that was cancelled in 2018. The prior period restatement had the following effect on the Township's fund balance as previously reported as of December 31, 2017:

	<u>General</u>
Fund Balance, December 31, 2017	\$ 1,349,996
Restatement Due to Cancelled Check	<u>46</u>
Restated Fund Balance, January 1, 2018	<u><u>\$ 1,350,042</u></u>



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

January 29, 2021

Fairfield Township  
Columbiana County  
3062 Fairfield School Road  
Columbiana, Ohio 44408

To the Board of Trustees:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of **Fairfield Township**, Columbiana County, Ohio (the Township) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated January 29, 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 and the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. Also, we qualified our opinion on the Permanent Funds because the Township failed to maintain the original trust agreements.

**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 opinion 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of audit findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses and a significant deficiency.

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 a 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. We consider findings 2019-001 and 2019-002 described in the accompanying schedule of audit findings to be material weaknesses.

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 •

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2019-003 described in the accompanying schedule of audit findings to be a significant deficiency.

***Compliance and Other Matters***

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

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



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

FAIRFIELD TOWNSHIP  
COLUMBIANA COUNTY

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

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

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.

During 2019 and 2018, the following errors were noted:

- Property Tax revenue was incorrectly classified as Intergovernmental revenue in 2019.
- Local Government revenue was incorrectly classified as Property Tax revenue in 2018.
- Subsequent year appropriations that exceeded estimated receipts in the General Fund were improperly classified as Unassigned instead of Assigned in both 2019 and 2018.
- Nonspendable fund balances in the Permanent Fund were improperly classified in both 2019 and 2018.
- Inaccurate or incomplete footnote disclosures were corrected as needed in both 2019 and 2018.

Not posting revenues and fund balances accurately resulted in the financial statements requiring reclassifications. The accompanying financial statements reflect all material reclassifications.

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

We recommend the Fiscal Officer refer to the Ohio Township Handbook for guidance to determine the proper establishment of receipt accounts. In addition, the Fiscal Officer should refer to the Auditor of State Technical Bulletin 2011-004 for information on fund balance classifications.

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

FINDING NUMBER 2019-002

**Material Weakness**

**Documentation for Permanent Funds**

The Township should maintain original trust agreements to help assure accountability for permanent funds and the correct classification for financial reporting. By maintaining these agreements, the Township would be able to identify whether or not there is principal that must be maintained in perpetuity and whether or not the trust is to benefit the entity or other organizations, governments, or individuals.

**FAIRFIELD TOWNSHIP  
COLUMBIANA COUNTY**

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

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2019-002 (CONTINUED)**

**Material Weakness (Continued)**

**Documentation for Permanent Funds (Continued)**

The Township presented Cemetery Bequest Funds as Permanent Funds without basing this decision on the original trust agreements. The Bequest Funds represented 100% of the Permanent Funds, totaling \$6,583 and \$6,439 at December 31, 2019 and 2018, respectively. Without the original trust agreements it is not possible to determine whether the Cemetery Bequest Funds should be presented as Permanent Funds (benefit to the Township) or Private Purpose Trust Funds (benefit to other organizations, governments, or individuals). In addition, the lack of trust agreements may be an indication these funds can be completely spent which would result in the Funds being classified as Special Revenue Funds. As a result, it could not be determined if the financial statements were accurately stated in relation to the cemetery Bequest Funds.

The Township should obtain copies of the documentation establishing these trust funds to identify the original principal and to determine the purpose of each Trust. The Township should consult Legal Counsel for advice if documentation cannot be located to support the existence of a trust agreement, whether expendable or nonexpendable.

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

**FINDING NUMBER 2019-003**

**Significant Deficiency**

**Payroll Disbursements**

During our review of the Township's payroll, we noted the following conditions:

- No evidence could be found to indicate employee timesheets were reviewed and approved by a supervisor or by Township Trustees prior to submission and payment.
- The first three pays in 2019 were recorded on February 28, 2019, instead of the actual pay date.

These conditions could result in employees being inaccurately paid or incorrect amounts being filed for state and federal tax withholdings.

The Fiscal Officer should ensure that all employee payroll timesheets be reviewed and approved by a supervisor and / or Trustee prior to payment being issued. The Fiscal Officer should also ensure that all payroll disbursements are timely and accurately entered into the accounting system.

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

**FAIRFIELD TOWNSHIP  
COLUMBIANA COUNTY**

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

Finding Number	Finding Summary	Status	Additional Information
2017-001	Financial Reporting	Not Corrected	Repeated as Finding 2019-001
2017-002	Documentation for Permanent Funds	Not Corrected	Repeated as Finding 2019-002
2017-003	ORC Section 5704.41(B)	Corrected	N/A

# OHIO AUDITOR OF STATE KEITH FABER



**FAIRFIELD TOWNSHIP**

**COLUMBIANA 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 5/6/2021**

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