



**BERLIN TOWNSHIP  
MAHONING COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED  
DECEMBER 31, 2021 & 2020**



OHIO AUDITOR OF STATE  
KEITH FABER



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Board of Trustees  
Berlin Township  
15823 Akron-Berlin Road  
Berlin Center, Ohio 44401

We have reviewed the *Independent Auditor's Report* of Berlin Township, Mahoning County, prepared by Canter & Associates, for the audit period January 1, 2020 through December 31, 2021. 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. Berlin 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

**July 12, 2022**

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**BERLIN TOWNSHIP  
MAHONING COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor’s Report.....	1
Prepared by Management	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types - For the Year Ended December 31, 2021 .....	4
Notes to the Financial Statements 2021 .....	5
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types - For the Year Ended December 31, 2020.....	13
Statement of Additions, Deductions, and Changes in Fund Balance (Regulatory Cash Basis) - Fiduciary Fund Type - For the Year Ended December 31, 2020.....	14
Notes to the Financial Statements 2020.....	15
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	24
Schedule of Findings.....	26
Schedule of Prior Audit Findings.....	28

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## INDEPENDENT AUDITOR'S REPORT

Berlin Township  
Mahoning County  
15823 Akron-Berlin Road  
Berlin Center, Ohio 44401

To the Board of Trustees:

### *Report on the Audit of the Financial Statements*

#### *Unmodified and Adverse Opinions*

We have audited the financial statements of Berlin Township, Mahoning County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020, and the cash balances, receipts and disbursements for each governmental fund type combined total as of and for the year ended December 31, 2021, and the related notes to the financial statements.

#### *Unmodified Opinion on Regulatory Basis of Accounting*

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2020, and the cash balances, receipts and disbursements for each governmental fund type combined total as of and for the year ended December 31, 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

#### *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* section of our report, the accompanying financial statements 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, 2021 and 2020, or the changes in financial position thereof for the years then ended.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by Township on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

***Emphasis of Matter***

As discussed in Note 12 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. We also discussed in Note 13 that the Township restated beginning fund cash balances for the Note Retirement Debt Service Fund and Fire Apparatus Special Revenue Fund.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.



- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2022, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's 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.



**Canter & Associates**

Poland, Ohio

June 24, 2022

**Berlin Township**  
Mahoning County, Ohio

Combined Statement of Receipts, Disbursements and  
Changes in Fund Balances (Regulatory Cash Basis)  
All Governmental Fund Types  
For the Year Ended December 31, 2021

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Permanent Funds</u>	
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 128,569	\$ 284,089	\$ -	\$ 412,658
Licenses, Permits, and Fees	20,352	45,210	-	65,562
Intergovernmental	27,240	287,335	-	314,575
Earnings on Investments	313	106	6	425
Miscellaneous	1,838	4,856	-	6,694
<i>Total Cash Receipts</i>	<u>178,312</u>	<u>621,596</u>	<u>6</u>	<u>799,914</u>
<b>Cash Disbursements</b>				
Current:				
General Government	126,831	36	-	126,867
Public Safety	8,388	179,292	-	187,680
Public Works	1,713	215,167	-	216,880
Health	12,121	12,889	781	25,791
Human Services	-	650	-	650
Capital Outlay	4,200	-	-	4,200
Debt Service:				
Principal Retirement	-	182,739	-	182,739
Interest and Fiscal Charges	-	15,541	-	15,541
<i>Total Cash Disbursements</i>	<u>153,253</u>	<u>606,314</u>	<u>781</u>	<u>760,348</u>
<i>Net Change in Fund Cash Balances</i>	25,059	15,282	(775)	39,566
Fund Cash Balances, January 1	<u>254,219</u>	<u>499,644</u>	<u>12,537</u>	<u>766,400</u>
<i>Total Fund Cash Balances, December 31</i>	<u><b>\$ 279,278</b></u>	<u><b>\$ 514,926</b></u>	<u><b>\$ 11,762</b></u>	<u><b>\$ 805,966</b></u>

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

**Berlin Township**  
*Mahoning County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Berlin Township, Mahoning County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road maintenance, cemetery maintenance, fire protection and emergency medical services.

***Public Entity Risk Pool***

The Township participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity, which is:

Ohio Township Association Risk Management Authority (OTARMA) – The risk sharing pool, available to Ohio Townships provides property and casualty insurance for its members. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements, and other expenses resulting from covered claims that exceed the members’ deductibles.

The Township’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 are all organized on a fund type basis.

***Fund Accounting***

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

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

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

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

**Berlin Township**  
*Mahoning County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Fire Levy Fund:** The Fire Levy Fund accounts for and reports that portion of taxes levied for the purpose of Fire and EMS Services within the Township and through Mutual Aid with surrounding Townships.

**Fire Apparatus Fund:** The Fire Apparatus Fund accounts for and reports that portion of taxes levied for the purpose of Fire Apparatus and Equipment purchases within the Township and related repayment of debt service issuances used to acquire such 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 government's programs (for the benefit of the government or its citizenry). The Township had the following significant permanent funds:

**Cemetery Endowment Funds** These funds receive interest earned on the corpus from a trust agreement. These earnings and the principal amount received are used for general maintenance and upkeep of the gravesites assigned to each bequest fund.

***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 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) 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 2021 budgetary activity appears in Note 3.

**Berlin Township**  
*Mahoning County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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***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.

***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 a percentage of their unused leave. The financial statements do not include a liability for unpaid leave.

***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*.

***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 last 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.

**Berlin Township**  
Mahoning County

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$181,090	\$178,312	(\$2,778)
Special Revenue	480,823	621,596	140,773
Debt Service	139,961	0	(139,961)
Permanent	6	6	0
Total	\$801,880	\$799,914	(\$1,966)

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$228,552	\$153,628	\$74,924
Special Revenue	729,915	607,503	122,412
Debt Service	130,360	0	130,360
Permanent	1,786	781	1,005
Total	\$1,090,613	\$761,912	\$328,701

\*The budgetary basis expenditures presented in the tables above include encumbrances outstanding at year-end.

**Note 4 – Deposits and Investments**

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 and investment accounts are as follows:

	2021
<b><i>Cash Management Pool:</i></b>	
Demand deposits	\$805,966
Total deposits	805,966
<i>Total carrying amount of deposits and investments held in the Pool</i>	\$805,966

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. The Township remitted all employee payroll withholdings for year.

**Berlin Township**  
*Mahoning County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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***Deposits***

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

At December 31, 2021, \$558,514 of deposits were not insured or collateralized.

**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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

**Note 6 – Risk Management**

***Workers' Compensation***

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

***Risk Pool Membership***

Berlin 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 Berlin 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

**Berlin Township**  
*Mahoning County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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

	<u>2021</u>
Cash and Investments	\$34,880,599
Actuarial liabilities	10,601,444

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Township 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, 2021.

***Social Security***

Fire Department Volunteers of 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, 2021.

**Note 8 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit post-employment plan, which includes 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 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2021.



**Berlin Township**  
Mahoning County

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

**Note 9 – Debt**

Debt outstanding at December 31, 2021, was as follows:

	Principal	Interest Rate
Dump Truck Lease	\$59,436	3.30%
Fire Truck Lease	253,404	4.31%
<b>Total</b>	<b>\$312,840</b>	

The Township issued no new debt during 2021.

The Township entered into a lease purchase agreement in 2017 to finance the purchase of an ambulance in the amount of \$175,000. The lease is paid back in yearly installments of \$37,344 and was paid off in 2021.

The Township entered into a lease purchase agreement in 2019 to finance the purchase of a new dump truck and plowing equipment for Township road maintenance in the amount of \$140,025. The lease is paid back in yearly installments of \$30,576.

The Township entered into a lease purchase agreement in 2019 to finance the purchase of a new Fire Truck in the amount of \$597,002. The lease is paid back in yearly installments of \$130,360.

The outstanding debt above is for an ambulance, purchased in 2017, a new dump truck purchased in 2019 and a new fire apparatus purchased in 2019. The ambulance was paid off in 2021 with the other two vehicles being paid off in 2023. The fire apparatus is paid from a special levy passed by the residents. The ambulance and road truck payments are paid from existing money generated each year with no new levies passed to finance them.

***Amortization***

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

Year Ended December 31,	2019 Dump Truck	2019 Fire Truck
2022	\$30,576	\$130,360
2023	30,576	130,360
<b>Total</b>	<b>\$61,152</b>	<b>\$260,720</b>
Less: Amount Representing Interest	(1,716)	(7,316)
<b><i>Present Value of Minimum Lease</i></b>	<b>\$59,436</b>	<b>\$253,404</b>

**Berlin Township**  
*Mahoning County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 10 – Contingent Liabilities**

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

**Note 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:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Permanent</u>	<u>Total</u>
Outstanding Encumbrances	<u>375</u>	<u>1,189</u>	<u>0</u>	<u>1,564</u>
Total	<u>\$375</u>	<u>\$1,189</u>	<u>\$0</u>	<u>\$1,564</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of permanent funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Note 12 – 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. Ohio's state of emergency ended in June 2021 while the national state of emergency continues. During 2021, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2021, the Township received American Rescue Plan funding.

**Berlin Township**  
Mahoning County, Ohio

Combined Statement of Receipts, Disbursements and  
Changes in Fund Balances (Regulatory Cash Basis)  
All Governmental Fund Types  
For the Year Ended December 31, 2020

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Permanent Funds	
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$ 113,425	\$ 268,914	\$ -	\$ -	\$ 382,339
Licenses, Permits, and Fees	21,413	25,611	-	-	47,024
Intergovernmental	40,041	266,529	-	-	306,570
Earnings on Investments	266	91	-	6	363
Miscellaneous	944	27,429	-	1	28,374
<i>Total Cash Receipts</i>	<u>176,089</u>	<u>588,574</u>	<u>-</u>	<u>7</u>	<u>764,670</u>
<b>Cash Disbursements</b>					
Current:					
General Government	123,930	215	-	-	124,145
Public Safety	8,388	183,591	-	-	191,979
Public Works	1,715	120,807	-	-	122,522
Health	12,106	8,900	-	869	21,875
Human Services	-	9,206	-	-	9,206
Capital Outlay	9,268	-	-	-	9,268
Debt Service:					
Principal Retirement	-	176,966	16,837	-	193,803
Interest and Fiscal Charges	-	21,314	-	-	21,314
<i>Total Cash Disbursements</i>	<u>155,407</u>	<u>520,999</u>	<u>16,837</u>	<u>869</u>	<u>694,112</u>
<i>Excess of Receipts Over/(Under) Disbursements</i>	<u>20,682</u>	<u>67,575</u>	<u>(16,837)</u>	<u>(862)</u>	<u>70,558</u>
<b>Other Financing Receipts/(Disbursements)</b>					
Sale of Capital Assets	-	18,500	-	-	18,500
Transfers In	306	-	-	-	306
<i>Total Other Financing Receipts/(Disbursements)</i>	<u>306</u>	<u>18,500</u>	<u>-</u>	<u>-</u>	<u>18,806</u>
<i>Net Change in Fund Cash Balances</i>	20,988	86,075	(16,837)	(862)	89,364
<i>Fund Cash Balances, January 1 - Restated</i>	<u>233,231</u>	<u>413,569</u>	<u>16,837</u>	<u>13,399</u>	<u>677,036</u>
<i>Fund Cash Balances, December 31</i>	<u><b>\$ 254,219</b></u>	<u><b>\$ 499,644</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 12,537</b></u>	<u><b>\$ 766,400</b></u>

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

**Berlin Township**  
Mahoning County, Ohio

Statement of Additions, Deductions, and  
Changes in Fund Balance (Regulatory Cash Basis)  
Fiduciary Fund Type  
For the Year Ended December 31, 2020

	<b>Custodial</b>
<b>Additions</b>	\$ -
<i>Total Additions</i>	-
<b>Deductions</b>	-
<i>Total Deductions</i>	-
<i>Excess of Receipts Over/(Under) Disbursements</i>	-
<b>Other Financing Receipts/(Disbursements)</b>	
Transfers Out	(306)
<i>Total Other Financing Receipts/(Disbursements)</i>	(306)
<i>Net Change in Fund Balance</i>	(306)
<i>Fund Cash Balance, January 1</i>	306
<i>Fund Cash Balance, December 31</i>	\$ -

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

**Berlin Township**  
*Mahoning 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 Berlin Township, Mahoning County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road maintenance, cemetery maintenance, fire protection and emergency medical services.

***Public Entity Risk Pool***

The Township participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity, which is:

Ohio Township Association Risk Management Authority (OTARMA) – The risk sharing pool, available to Ohio Townships provides property and casualty insurance for its members. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements, and other expenses resulting from covered claims that exceed the members’ deductibles.

The Township’s management believes these financial statements present all activities for which the Township is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

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

***Fund Accounting***

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

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

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

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

**Berlin Township**  
*Mahoning County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Fire Apparatus Fund:** The Fire Apparatus Fund accounts for and reports that portion of taxes levied for the purpose of Fire Apparatus and Equipment purchases within the Township and related repayment of debt service issuances used to acquire such equipment.

**Fire Levy Fund:** The Fire Levy Fund accounts for and reports that portion of taxes levied for the purpose of Fire and EMS Services within the Township and through Mutual Aid with surrounding Townships.

**Debt Service Funds** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following significant Debt Service Fund:

**Note Retirement** This fund is used to repay an interest free loan from the Ohio Public Works Commission for an Issue II Project. This money was given to the Township by the Mahoning County Engineer in 2001 when a joint road improvement project was completed and the road was then turned over to Berlin Township.

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

**Cemetery Endowment Funds** These funds receive interest earned on the corpus from a trust agreement. These earnings and the principal amount received are used for general maintenance and upkeep of the gravesites assigned to each bequest fund.

**Fiduciary Funds** Fiduciary funds include private purpose trust funds and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Township's custodial fund accounts for unclaimed monies.

***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 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

**Berlin Township**  
*Mahoning County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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***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.

***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 a percentage of their unused leave. The financial statements do not include a liability for unpaid leave.

***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.

**Berlin Township**  
Mahoning County

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**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*.

**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 last 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.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$176,066	\$176,395	\$329
Special Revenue	467,857	607,074	139,217
Debt Service	139,207	0	(139,207)
Permanent	6	7	1
Total	\$783,136	\$783,476	\$340

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$236,200	\$155,968	\$80,232
Special Revenue	640,205	524,782	115,423
Debt Service	141,972	16,837	125,135
Permanent	1,810	869	941
Total	\$1,020,187	\$698,456	\$321,731



**Berlin Township**  
*Mahoning County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 4 – Deposits and Investments**

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 and investment accounts are as follows:

	<u>2020</u>
<b><i>Cash Management Pool:</i></b>	
Demand deposits	<u>\$766,400</u>
Total deposits	<u>766,400</u>
 <i>Total carrying amount of deposits and investments held in the Pool</i>	 <u><u>\$766,400</u></u>

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. The Township paid all employee payroll withholdings.

***Deposits***

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

At December 31, 2020, \$552,921 of deposits were not insured or collateralized.

**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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

**Berlin Township**  
*Mahoning County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 6 – Risk Management**

***Workers' Compensation***

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

***Risk Pool Membership***

Berlin 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 Berlin Township's policy. The Pool covers the following risks:

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

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

	<u>2020</u>
Cash and Investments	\$36,348,066
Actuarial liabilities	10,894,444

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Township 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.

**Berlin Township**  
*Mahoning County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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***Social Security***

Fire Department Volunteers of 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, 2020.

**Note 8 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit post-employment plan, which includes 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**

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

	<u>Principal</u>	<u>Interest Rate</u>
Ambulance Lease	\$36,133	3.30%
Dump Truck Lease	87,289	4.31%
Fire Truck Lease	<u>372,157</u>	4.31%
Total	<u><u>\$495,579</u></u>	

The Township entered into a lease purchase agreement in 2017 to finance the purchase of an ambulance in the amount of \$175,000. The lease is paid back in yearly installments of \$37,344.

The Township entered into a lease purchase agreement in 2019 to finance the purchase of a new dump truck and plowing equipment for Township road maintenance in the amount of \$140,025. The lease is paid back in yearly installments of \$30,576.

The Township entered into a lease purchase agreement in 2019 to finance the purchase of a new Fire Truck in the amount of \$597,002. The lease is paid back in yearly installments of \$130,360.

The outstanding debt above is for an ambulance, purchased in 2017, a new dump truck purchased in 2019 and a new fire apparatus purchased in 2019. The ambulance will be paid off in 2021 with the other two vehicles being paid off in 2023. The fire apparatus is paid from a special levy passed by the residents. The ambulance and road truck payments are paid from existing money generated each year with no new levies passed to finance them.

**Berlin Township**  
Mahoning County

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**Amortization**

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

Year Ended December 31,	2017 Ambulance	2019 Dump Truck	2019 Fire Truck
2021	\$37,344	\$30,575	\$130,360
2022	-	30,575	130,360
2023	-	30,575	130,360
<b>Total</b>	<u>\$37,344</u>	<u>\$91,725</u>	<u>\$391,080</u>
Less: Amount Representing Interest	<u>(1,211)</u>	<u>(4,436)</u>	<u>(18,923)</u>
<b>Present Value of Minimum Lease</b>	<u>\$36,133</u>	<u>\$87,289</u>	<u>\$372,157</u>

**Note 10 – Contingent Liabilities**

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

**Note 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	Debt Service	Permanent	Total
Outstanding Encumbrances	561	3,783	0	0	4,344
Total	<u>\$561</u>	<u>\$3,783</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,344</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and permanent funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Berlin Township**  
*Mahoning County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**Note 12 – 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.

During 2020, the Township received CARES Act funding.

**Note 13 – Change in Accounting Principal & Restatement of Fund Cash Balances**

***Change in Accounting Principal***

For 2020, the Township has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds, adding a separate combined statement of additions, deductions, and changes in fund balances (regulatory cash basis) – all fiduciary fund types, 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.

***Restatement of Fund Cash Balances***

During 2020 it was determined that the Note Retirement Debt Service Fund was overstated and the Fire Apparatus Special Revenue Fund was understated as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Permanent</u>	<u>Total</u>
Fund Cash Balance as Previously Reported	\$233,231	\$280,089	\$150,317	\$13,399	\$677,036
Reclassification of the Note Retirement Fund	<u>0</u>	<u>133,480</u>	<u>(133,480)</u>	<u>0</u>	<u>0</u>
Restated Fund Cash Balances	<u>\$233,231</u>	<u>\$413,569</u>	<u>\$16,837</u>	<u>\$13,399</u>	<u>\$677,036</u>



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Berlin Township  
Mahoning County  
15823 Akron-Canfield Road  
Berlin Center, Ohio 44401

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type and fiduciary fund type combined total as of and for the year ended December 31, 2020 and the cash balances, receipts, and disbursements for each governmental fund type combined total for the year ended December 31, 2021, and the related notes to the financial statements of Berlin Township, Mahoning County (the Township), and have issued our report thereon dated June 24, 2022, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township as well as a restatement of fund balance for the Note Retirement Debt Service Fund and Fire Apparatus Special Revenue Fund for 2020.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2021-001 that we consider to be material weaknesses.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Township's Response to Findings**

The Township's response to the findings identified in our audit is described in the accompanying schedule of findings. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CANTER & ASSOCIATES**

Poland, Ohio

June 24, 2022

**BERLIN TOWNSHIP  
MAHONING COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2020 AND 2021**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2021-001**

**MATERIAL WEAKNESS**

**Financial Reporting**

Financial reporting is the responsibility of management, and it is essential that financial statements are presented fairly and free of material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs A14 & A16. The Governmental Accounting Standards Board (GASB) states that a governmental accounting system is required to make it possible for the funds and activities of the governmental unit to be presented fairly and with full disclosure in conformity with generally accepted accounting principles as well as to be able to determine and demonstrate compliance with finance-related legal and contractual provisions.

The following errors were noted:

2020:

- Fund balance was restated from the Note Retirement Fund to the Fire Apparatus Fund. The Note Retirement Fund was reduced by \$133,480 and the Fire Apparatus Fund was increased by \$133,480. This was due to property tax receipts from a levy being posted to the incorrect fund.
- All activity posted to the Note Retirement Fund of \$139,207 was reclassified to the Fire Apparatus Fund and classified to the appropriate line items consisting of principal and interest.
- Various principal and interest payments were reclassified in the funds due to being posted as public safety and public works.
- The sale of a fire truck was posted to Extraordinary Items and should have been recorded as Sale of Fixed Assets for \$18,500.

2021:

- All activity posted to the Note Retirement Fund of \$139,961 was reclassified to the Fire Apparatus Fund and classified to the appropriate line items consisting of principal and interest.
- Various principal and interest payments were reclassified in the funds due to being posted as public safety and public works.
- Property tax receipts of \$3,000 were posted to the Fire Apparatus Fund and should have been posted to the Road and Bridge Fund.

The above adjustments have been reflected in the financial statements.

We recommend the Township ensure recording of financial transactions reporting to help ensure the information accurately reflects the activity of the Township and thereby increasing the reliability of the financial data throughout the year. The Fiscal Officer should reference applicable guidance from the Auditor of State, such as UAN manuals of the Ohio Township Manual when posting receipts and processing unusual transactions.



**Official's Response:**

Management agrees and the issue was corrected in 2022.



# Township of Berlin

P.O. Box 95  
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**FISCAL OFFICER**  
**DOLORES J. BENNETT**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**2 CFR 200.511(b)**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2019-001	Posting Receipts, Disbursements and Fund Balances	Not Corrected	Repeated as Finding 2021-001
2019-002	Budgetary Controls	Corrected	

# OHIO AUDITOR OF STATE KEITH FABER



**BERLIN TOWNSHIP**

**MAHONING COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 7/26/2022**

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)