



Certified Public Accountants, A.C.

**TWINSBURG TOWNSHIP WATER DISTRICT
SUMMIT COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2020-2019**

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OHIO AUDITOR OF STATE
KEITH FABER



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

We have reviewed the *Independent Auditor's Report* of the Twinsburg Township Water District, Summit County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2019 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber
Auditor of State
Columbus, Ohio

January 11, 2022

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**TWINSBURG TOWNSHIP WATER DISTRICT
SUMMIT COUNTY**

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INDEPENDENT AUDITOR'S REPORT

October 29, 2021

Twinsburg Township Water District
Summit County
1790 Enterprise Parkway
Twinsburg, Ohio 44087

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each proprietary fund type and fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each proprietary and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of the **Twinsburg Township Water District**, Summit County, Ohio (the District).

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.

Tax - Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll – Litigation Support – Financial Investigations
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Auditor's Responsibility (Continued)

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 District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District, as of December 31, 2020 and 2019, and the respective changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each proprietary and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of the Twinsburg Township Water District, Summit County, 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 8 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. We did not modify our opinion regarding this matter. Also, as discussed in Note 9 to the financial statements, during 2020, the District made changes to their cash basis reporting model. We did not modify our opinion regarding these matters.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2021, on our consideration of the District'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 District's internal control over financial reporting and compliance.

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

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

**TWINSBURG TOWNSHIP WATER DISTRICT
SUMMIT COUNTY**

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

	<u>Proprietary Fund Types</u>
	<u>Enterprise (Capital and Operating)</u>
Operating Cash Receipts	
Charges for Services	\$ 164,515
Licenses, Permits and Fees	<u>15,475</u>
<i>Total Operating Cash Receipts</i>	<u>179,990</u>
Operating Cash Disbursements	
Compensation of Board Members	720
Accounting and Legal Services	75
Engineering Services	1,911
Other - Professional & Technical Services	18,321
Advertising	78
Other - Insurance and Bonding	<u>8,092</u>
<i>Total Operating Cash Disbursements</i>	<u>29,197</u>
<i>Operating Income</i>	150,793
Non-Operating Cash Receipts (Disbursements)	
Debt Service	(88,583)
Other Financing Uses	<u>(30,316)</u>
<i>Total Non-Operating Cash Receipts (Disbursements)</i>	<u>(118,899)</u>
<i>Net Change in Fund Cash Balances</i>	31,894
<i>Fund Cash Balances, January 1</i>	<u>327,612</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 359,506</u></u>

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

**TWINSBURG TOWNSHIP WATER DISTRICT
SUMMIT COUNTY**

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

	<u>Fiduciary Fund Types</u>
	Custodial (Escrow)
Additions	
Deposits Received	\$ 7,103
<i>Total Additions</i>	7,103
Deductions	
Engineering Services	(728)
<i>Total Deductions</i>	(728)
<i>Net Change in Fund Cash Balances</i>	6,375
<i>Fund Cash Balances, January 1</i>	-
<i>Fund Cash Balances, December 31</i>	\$ 6,375

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

**TWINSBURG TOWNSHIP WATER DISTRICT
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 1 - Reporting Entity

The Twinsburg Township Water District (the District), Summit County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District was established in 1966 per Chapter 6119 of the Ohio Revised Code as a regional water and sewer district, per a petition submitted by the Twinsburg Township Board of Trustees. The District is governed by a series of Summit County Common Pleas Court Orders issued in 1966, 1967, 1968, 1970, 1979, 2006, 2012, and 2019. The District is directed by a five-member Board of Trustees with two alternates, with all members and alternates appointed by the Twinsburg Township Board of Trustees to staggered five-year terms and one0year terms, respectively. The District's current boundaries are contiguous with the current boundaries of Twinsburg Township, and the 2012 District Court Order provides a procedure by which the District's boundaries may be changed following annexation of Township land to an adjacent municipality, by mutual agreement between the District and the annexing municipality. The District's primary purpose is to provide a public water supply to the District. The District owns and maintains water lines throughout the District and currently contracts with the City of Cleveland to supply the water that flows through those lines. The District first contracted with the City of Cleveland in 1968, and then entered into a new contract with Cleveland in 1982.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The District's financial statements consist of a statement of receipts, disbursements and changes in fund balances (regulatory cash basis) proprietary funds and a statement of additions, deductions and changes in fund balances (regulatory cash basis) fiduciary fund type.

Basis of Accounting

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

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

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The District 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.

**TWINSBURG TOWNSHIP WATER DISTRICT
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)**

Note 2 - Summary of Significant Accounting Policies (Continued)

Budgetary Process (Continued)

Encumbrances The Ohio Revised Code requires the District 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 District'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 District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Note 3 - Budgetary Activity

Budgetary activity for the years ended December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
Enterprise (Capital and Operating)	\$171,000	\$179,990	\$8,990
Custodial (Escrow)	20,000	7,103	(12,897)
Total	\$191,000	\$187,093	\$(3,907)
2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
Enterprise (Capital and Operating)	\$164,433	\$148,600	\$15,833
Custodial (Escrow)	20,000	728	19,272
Total	\$184,433	\$149,328	\$35,105

**TWINSBURG TOWNSHIP WATER DISTRICT
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)**

Note 4 – Deposits

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

	<u>2020</u>
Demand Deposits	<u>\$365,881</u>
Total Deposits	<u><u>\$365,881</u></u>

Deposits are insured by the Federal Depository 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.

Note 5 – Risk Management

The District is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the District'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	\$ 40,318,971
Actuarial liabilities	\$14,111,510

**TWINSBURG TOWNSHIP WATER DISTRICT
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)**

Note 6 – Debt

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

	Balance Outstanding	Interest Rate
	Principal	
Marwell/Twinsburg Road Water Main	\$ 324,596	3.98%

The District entered into design and construction loan agreements with OWDA pertaining to the Marwell/Twinsburg Road Water Main. The design loan was authorized on May 29, 2003 and in 2004 was rolled into the construction loan. The construction loan, with a 20-year term and an interest rate of 3.98 percent, was authorized on June 24, 2004, with an initial combined balance outstanding of \$1,213,741 and first and last payment due on July 1, 2005 and January 1, 2025, respectively.

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

Year-Ending December 31:	OWDA Loan
2021	\$ 88,583
2022	88,583
2023	88,583
2024	88,583
Total	\$ 354,332

Note 7 – Contingent Liabilities

Management believes that there are no pending claims or lawsuits.

Note 8 – 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 District. In addition, the impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Note 9 – Change in Accounting Principal

For 2020, the District has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds and adding a separate statement of additions, deductions, and changes in fund balances (regulatory cash basis) – fiduciary fund type. This change had no effect on beginning cash balances.

**TWINSBURG TOWNSHIP WATER DISTRICT
SUMMIT COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Proprietary Fund Types	Fiduciary Fund Types	Totals
	Enterprise (Capital and Operating)	Agency (Escrow)	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$ 187,740	\$ -	\$ 187,740
Licenses, Permits and Fees	8,725	-	8,725
Other Local Grants	1,000	-	1,000
<i>Total Operating Cash Receipts</i>	<u>197,465</u>	<u>-</u>	<u>197,465</u>
Operating Cash Disbursements			
Compensation of Board Members	840	-	840
Accounting and Legal Services	4,144	-	4,144
Engineering Services	6,005	-	6,005
Other - Professional & Technical Services	18,342	-	18,342
Advertising	58	-	58
Contracted Services	1,579	-	1,579
Other - Insurance and Bonding	7,303	-	7,303
<i>Total Operating Cash Disbursements</i>	<u>38,271</u>	<u>-</u>	<u>38,271</u>
<i>Operating Income</i>	159,194	-	159,194
Non-Operating Cash Receipts (Disbursements)			
Deposits	44,000	6,375	50,375
Engineering Services	-	(5,558)	(5,558)
Debt Service	(88,583)	-	(88,583)
Other Financing Uses	(29,778)	(2,312)	(32,090)
<i>Total Non-Operating Cash Receipts (Disbursements)</i>	<u>(74,361)</u>	<u>(1,495)</u>	<u>(75,856)</u>
<i>Net Change in Fund Cash Balances</i>	84,833	(1,495)	83,338
<i>Fund Cash Balances, January 1</i>	<u>242,779</u>	<u>1,495</u>	<u>244,274</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 327,612</u>	<u>\$ -</u>	<u>\$ 327,612</u>

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

**TWINSBURG TOWNSHIP WATER DISTRICT
SUMMIT COUNTY**

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

Note 1 - Reporting Entity

The Twinsburg Township Water District (the District), Summit County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District was established in 1966 per Chapter 6119 of the Ohio Revised Code as a regional water and sewer district, per a petition submitted by the Twinsburg Township Board of Trustees. The District is governed by a series of Summit County Common Pleas Court Orders issued in 1966, 1967, 1968, 1970, 1979, 2006, 2012, and 2019. The District is directed by a five-member Board of Trustees with two alternates, with all members and alternates appointed by the Twinsburg Township Board of Trustees to staggered five-year terms and one0year terms, respectively. The District's current boundaries are contiguous with the current boundaries of Twinsburg Township, and the 2012 District Court Order provides a procedure by which the District's boundaries may be changed following annexation of Township land to an adjacent municipality, by mutual agreement between the District and the annexing municipality. The District's primary purpose is to provide a public water supply to the District. The District owns and maintains water lines throughout the District and currently contracts with the City of Cleveland to supply the water that flows through those lines. The District first contracted with the City of Cleveland in 1968, and then entered into a new contract with Cleveland in 1982.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The District's financial statements consist of a statement of receipts, disbursements and changes in fund balances (regulatory cash basis).

Basis of Accounting

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

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

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The District 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.

**TWINSBURG TOWNSHIP WATER DISTRICT
SUMMIT COUNTY**

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

Note 2 - Summary of Significant Accounting Policies (Continued)

Budgetary Process (Continued)

Encumbrances The Ohio Revised Code requires the District 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 2019 budgetary activity appears in Note 3.

Deposits and Investments

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

Note 3 - Budgetary Activity

Budgetary activity for the years ended December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
Enterprise (Capital and Operating)	\$215,000	\$241,465	\$26,465
Agency (Escrow)	20,000	6,375	(13,625)
Total	\$235,000	\$247,840	\$12,840

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
Enterprise (Capital and Operating)	\$168,083	\$156,632	\$11,451
Agency (Escrow)	20,000	7,870	12,130
Total	\$188,083	\$164,502	\$23,581

**TWINSBURG TOWNSHIP WATER DISTRICT
SUMMIT COUNTY**

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

Note 4 – Deposits

The District maintains a deposit and investments 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:

	2019
Demand Deposits	\$327,612
Total Deposits	\$327,612

Deposits

Deposits are insured by the Federal Depository 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.

Note 5 – Risk Management

The District is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the District’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	\$ 38,432,610
Actuarial liabilities	\$14,705,917

**TWINSBURG TOWNSHIP WATER DISTRICT
SUMMIT COUNTY**

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

Note 6 – Debt

Debt outstanding at December 31, 2019, was as follows:

	Balance Outstanding Principal	Interest Rate
Marwell/Twinsburg Road Water Main	\$ 398,060	3.98%

The District entered into design and construction loan agreements with OWDA pertaining to the Marwell/Twinsburg Road Water Main. The design loan was authorized on May 29, 2003 and in 2004 was rolled into the construction loan. The construction loan, with a 20-year term and an interest rate of 3.98 percent, was authorized on June 24, 2004, with an initial combined balance outstanding of \$1,213,741 and first and last payment due on July 1, 2005 and January 1, 2025, respectively.

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

Year-Ending December 31:	OWDA Loan
2020	\$ 88,583
2021	88,583
2022	88,583
2023	88,583
2024	88,583
Total	\$ 442,915

Note 7 – Contingent Liabilities

Management believes that there are no pending claims or lawsuits.

Note 8 – 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 District. In addition, the impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.



Certified Public Accountants, A.C.

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

October 29, 2021

Twinsburg Township Water District
Summit County
1790 Enterprise Parkway
Twinsburg, OH 44087

To the Board of Trustees:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the proprietary and fiduciary activities of the **Twinsburg Township Water District**, Summit County, (the District) as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements and have issued our report thereon dated October 29, 2021, wherein we noted the District 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 that the District made changes to their cash basis reporting model.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) as a basis for determining 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 District's internal control. Accordingly, we have not opined on it.

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

OHIO AUDITOR OF STATE KEITH FABER



TWINSBURG TOWNSHIP WATER DISTRICT

SUMMIT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 1/25/2022

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