



**LIBERTY TOWNSHIP  
TRUMBULL COUNTY  
REGULAR AUDIT  
FOR THE YEARS ENDED DECEMBER 31, 2019-2018**

313 Second St.  
Marietta, OH 45750  
740 373 0056

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

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

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

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

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OHIO AUDITOR OF STATE  
KEITH FABER



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(800) 282-0370

Board of Trustees  
Liberty Township  
1315 Churchill-Hubbard Road  
Youngstown, Ohio 44505

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

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Liberty 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

August 27, 2021

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LIBERTY TOWNSHIP  
TRUMBULL COUNTY

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## INDEPENDENT AUDITOR'S REPORT

July 30, 2021

Liberty Township  
Trumbull County  
1315 Churchill-Hubbard Road  
Youngstown, Ohio 44505

To the Board of Trustees:

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

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

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

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

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

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

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

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

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

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

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

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

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2019 and 2018, and the respective changes in financial position 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 by fund type, and related notes of Liberty Township, Trumbull County as of December 31, 2019 and 2018, and for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Emphasis of Matter***

As discussed in Note 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 the matter.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2021, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



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

**LIBERTY TOWNSHIP  
TRUMBULL COUNTY**

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

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 293,394	\$ 4,425,112	\$ -	\$ 4,718,506
Charges for Services	-	350,793	-	350,793
Licenses, Permits and Fees	172,700	6,000	-	178,700
Fines and Forfeitures	1,247,203	61,979	-	1,309,182
Intergovernmental	183,002	939,072	-	1,122,074
Special Assessments	-	126,627	-	126,627
Earnings on Investments	14,937	2,168	-	17,105
Miscellaneous	130,435	118,989	-	249,424
<i>Total Cash Receipts</i>	<u>2,041,671</u>	<u>6,030,740</u>	<u>-</u>	<u>8,072,411</u>
<b>Cash Disbursements</b>				
Current:				
General Government	643,077	-	-	643,077
Public Safety	1,758	4,837,389	-	4,839,147
Public Works	17,046	883,469	-	900,515
Health	270	11,489	-	11,759
Conservation-Recreation	21,458	-	-	21,458
Capital Outlay	-	1,786,734	-	1,786,734
Debt Service:				
Principal Retirement	-	446,830	-	446,830
Interest and Fiscal Charges	-	14,946	-	14,946
<i>Total Cash Disbursements</i>	<u>683,609</u>	<u>7,980,857</u>	<u>-</u>	<u>8,664,466</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,358,062</u>	<u>(1,950,117)</u>	<u>-</u>	<u>(592,055)</u>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Notes	-	300,001	-	300,001
Other Debt Proceeds	-	1,711,735	-	1,711,735
Transfers In	-	622,332	-	622,332
Transfers Out	(622,332)	-	-	(622,332)
Other Financing Uses	(856)	-	-	(856)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(623,188)</u>	<u>2,634,068</u>	<u>-</u>	<u>2,010,880</u>
<i>Net Change in Fund Cash Balances</i>	734,874	683,951	-	1,418,825
<i>Fund Cash Balances, January 1</i>	<u>276,544</u>	<u>922,507</u>	<u>1,327</u>	<u>1,200,378</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	-	1,606,458	1,327	1,607,785
Unassigned	1,011,418	-	-	1,011,418
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,011,418</u>	<u>\$ 1,606,458</u>	<u>\$ 1,327</u>	<u>\$ 2,619,203</u>

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

**LIBERTY TOWNSHIP  
TRUMBULL COUNTY**

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

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**Note 1 – Reporting Entity**

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

The Township was placed in Fiscal Caution on October 3, 2013, by the Auditor of State's Office, pursuant to Ohio Revised Code Section 118.025(A). As of December 31, 2019, the Township's General Fund and Police District Fund balance is a positive \$1,011,418 and \$483,715. The Township's plan to increase the fund balance in the General Fund and Police District Fund is to try to decrease disbursements and increase revenue.

***Public Entity Risk Pools***

The Township participates in a public entity risk pool. Note 7 to the financial statements provide additional information for this entity. 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.

***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:

**Police District Fund** – This fund receives property tax money for the general operation of the police department.

**Fire District Fund** – This fund receives property tax money for the general operation of the fire department.

**Road and Bridge Fund** - This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

LIBERTY TOWNSHIP  
TRUMBULL COUNTY

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

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

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

**Public Works Commission** – The Township received money from the State of Ohio for a waste water project on Arbor Circle/Goldie Road.

***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 recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

***Budgetary Process***

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

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

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

**Encumbrances** The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

A summary of 2019 budgetary activity appears in Note 4.

***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.

LIBERTY TOWNSHIP  
TRUMBULL COUNTY

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

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

***Accumulated Leave***

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

***Fund Balance***

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.

***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*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

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

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

**Note 3 – Compliance**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Police District and the Fire District fund by \$213,147 and 50,164 for the year ended December 31, 2019.

**LIBERTY TOWNSHIP  
TRUMBULL COUNTY**

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

**Note 4 – Budgetary Activity**

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

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,537,642	\$ 2,041,671	\$ 504,029
Special Revenue	8,722,869	8,864,808	141,939
Capital Projects	100,000	-	(100,000)
Total	\$ 10,360,511	\$ 10,906,479	\$ 545,968

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,512,830	\$ 1,308,271	\$ 204,559
Special Revenue	8,415,593	7,998,044	417,549
Capital Projects	100,000	-	100,000
Total	\$ 10,028,423	\$ 9,306,315	\$ 722,108

**Note 5 – Deposits**

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

	2019
Demand deposits	\$ 2,619,203
Total deposits	\$ 2,619,203

**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.

**Note 6 – Property Taxes**

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

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

**LIBERTY TOWNSHIP  
TRUMBULL COUNTY**

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

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**Note 7 – Risk Management**

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

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

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

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

***Workers' Compensation***

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.

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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, 2019.

***Ohio Police and Fire Retirement System***

Township's certified Fire Fighters and full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F 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. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages and 24 percent of full-time fire fighters' wages, respectively. The Township has paid all contributions required through December 31, 2019.

**LIBERTY TOWNSHIP  
TRUMBULL COUNTY**

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

**Note 9 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 1 percent during calendar year 2019. OP&F contributes 0.5 percent to fund these benefits.

**Note 10 – Debt**

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

	<u>Principal</u>	<u>Interest Rate</u>
OPWC CF12N-Arbor Circle/Goldie Road	\$ 169,968	0.00%
Ambulance Lease	48,983	3.99%
Bobcat Equipment	26,801	3.30%
2018 Ford E35 Medix RP90 Ambulance	74,472	5.25%
Pumper Fire Truck	485,000	3.14%
OPWC - CF23W - Road Loan - 2019	1,226,735	0.00%
Total	<u>\$ 2,031,959</u>	

The OPWC loan for Arbor Circle was fully disbursed during 2018 and will be amortized on a semi-annual basis beginning January 2019 over a Twenty (20) year term with payments of \$9,187 per year.

In 2017, the Township entered into a Master-Lease Purchase agreement with TCF Equipment Finance for a 2017 Medix RP90 Ambulance for \$95,978. The lease is for ten years and is paid from the Ambulance and Emergency Medical Services Fund semiannually.

In 2017, the Township entered into a Master-Lease Purchase agreement with FNB Commercial Leasing for a 2017 Bobcat T650 T4 Compact Track Loader and a 2017 Bobcat E45 T4 Compact Excavator for \$103,678. The lease is for four years and is paid from the Road and Bridge Fund semiannually.

In 2018, the Township entered into a Master-Lease Purchase agreement with TCF Equipment Finance for a 2018 Medix RP90 Ambulance for \$104,618. The lease is for five years and is paid from the Ambulance and Emergency Medical Services Fund semiannually.

In 2019, the Township entered into a Master Lease Purchase agreement with First National Bank Leasing for a 2019 Pumper Fire Truck for \$485,000. The lease is for ten years and is payable from the Fire District fund semi-annually.

The Township issued general obligation notes through OPWC to finance the pavement of roads. The Township's taxing authority collateralized the notes. The notes are paid semiannually from the Road and Bridge fund.

The Township procured a Short-Term General Obligation Tax Anticipation Notes (TAN), series 2019 to cover payroll in the police fund. This loan has been paid in full as of December 31, 2019. The Township's taxing authority collateralized the note and the loan.

The Township received a loan through OPWC to finance the pavement of roads. The Township's taxing authority collateralized the notes. The notes are paid semiannually from the Road and Bridge Fund. This loan has not been fully disbursed yet and no amortization schedule is currently available.

**LIBERTY TOWNSHIP  
TRUMBULL COUNTY**

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

**Note 10 – Debt (Continued)**

The Township issued general obligation notes to finance the pavement of roads. The Township's taxing authority collateralized the notes. The notes are paid semiannually from the Road and Bridge Fund. These notes have been paid in full as of December 31, 2019.

In 2017, the Township entered into a Master-Lease Purchase agreement with Statewide Municipal Leasing for a 2016-2017 Ford Utility Interceptor for \$33,029. The lease is for three years and is paid from the Fire District Fund annually. This lease has been paid in full as of December 31, 2019.

In 2017, the Township entered into a Master-Lease Purchase agreement with Statewide Municipal Leasing for a 2017 Ford Utility Interceptor for \$39,246. The lease is for three years and is paid from the Police District and Drug Law Enforcement Fund annually. This lease has been paid in full as of December 31, 2019.

**Amortization**

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

Year Ending December 31:	OPWC CF12N- Arbor		Bobcat Equipment	2018 Ford E350 Mediz	
	Circle/Goldie Road	Ambulance		RP90 Ambulance	Pumper Fire Truck
2020	\$ 9,187	\$ 20,946	\$ 27,439	\$ 23,446	\$ 56,954
2021	9,187	20,946	-	23,446	56,954
2022	9,187	10,474	-	23,446	56,954
2023	9,187	-	-	11,723	56,954
2024	9,187	-	-	-	56,954
2025-2029	45,937	-	-	-	284,770
2030-2034	45,937	-	-	-	-
2035-2039	32,159	-	-	-	-
Total	<u>\$ 169,968</u>	<u>\$ 52,366</u>	<u>\$ 27,439</u>	<u>\$ 82,061</u>	<u>\$ 569,540</u>

**Note 11 – Contingent Liabilities**

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

**Note 12 – Subsequent Events**

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. The Township's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. 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.

**LIBERTY TOWNSHIP  
TRUMBULL COUNTY**

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

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 303,529	\$ 4,130,938	\$ -	\$ 4,434,467
Charges for Services	-	315,311	-	315,311
Licenses, Permits and Fees	287,036	9,576	-	296,612
Fines and Forfeitures	230,819	2,324	-	233,143
Intergovernmental	180,539	791,818	100,131	1,072,488
Special Assessments	-	132,376	-	132,376
Earnings on Investments	7,817	2,172	-	9,989
Miscellaneous	50,857	129,447	-	180,304
<i>Total Cash Receipts</i>	<u>1,060,597</u>	<u>5,513,962</u>	<u>100,131</u>	<u>6,674,690</u>
<b>Cash Disbursements</b>				
Current:				
General Government	603,023	-	-	603,023
Public Safety	5,575	4,505,718	-	4,511,293
Public Works	18,577	839,374	-	857,951
Health	1,991	11,743	-	13,734
Conservation-Recreation	17,418	-	-	17,418
Capital Outlay	-	122,073	269,631	391,704
Debt Service:				
Principal Retirement	-	590,094	-	590,094
Interest and Fiscal Charges	-	20,275	-	20,275
<i>Total Cash Disbursements</i>	<u>646,584</u>	<u>6,089,277</u>	<u>269,631</u>	<u>7,005,492</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>414,013</u>	<u>(575,315)</u>	<u>(169,500)</u>	<u>(330,802)</u>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Notes	-	400,000	-	400,000
Other Debt Proceeds	-	104,618	169,500	274,118
Transfers In	-	121,814	-	121,814
Transfers Out	(121,814)	-	-	(121,814)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(121,814)</u>	<u>626,432</u>	<u>169,500</u>	<u>674,118</u>
<i>Net Change in Fund Cash Balances</i>	292,199	51,117	-	343,316
<i>Fund Cash Balances, January 1</i>	<u>(15,655)</u>	<u>871,390</u>	<u>1,327</u>	<u>857,062</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	-	922,507	1,327	923,834
Unassigned	276,544	-	-	276,544
<i>Fund Cash Balances, December 31</i>	<u>\$ 276,544</u>	<u>\$ 922,507</u>	<u>\$ 1,327</u>	<u>\$ 1,200,378</u>

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

**LIBERTY TOWNSHIP  
TRUMBULL COUNTY**

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

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**Note 1 – Reporting Entity**

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

The Township was placed in Fiscal Caution on October 3, 2013, by the Auditor of State's Office, pursuant to Ohio Revised Code Section 118.025(A). As of December 31, 2018, the Township's General Fund and Police District Fund balance is a positive \$276,544 and \$2,215. The Township's plan to increase the fund balance in the General Fund and Police District Fund is to try to decrease disbursements and increase revenue.

***Public Entity Risk Pools***

The Township participates in a public entity risk pool. Note 7 to the financial statements provide additional information for this entity. 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.

***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:

**Police District Fund** – This fund receives property tax money for the general operation of the police department.

**Fire District Fund** – This fund receives property tax money for the general operation of the fire department.

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

**Public Works Commission** – The Township received money from the State of Ohio for a waste water project on Arbor Circle/Goldie Road.

**LIBERTY TOWNSHIP  
TRUMBULL COUNTY**

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

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

***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 recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

***Budgetary Process***

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

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

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

***Encumbrances*** The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. Management has included audit adjustments in the accompanying budgetary presentations for material items that should have been encumbered.

A summary of 2018 budgetary activity appears in Note 4.

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

LIBERTY TOWNSHIP  
TRUMBULL COUNTY

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

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

***Fund Balance***

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

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

***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*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

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

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

**Note 3 – Compliance**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Police District and Public Works Commission Project Issue fund by \$89,541 and 98,845 for the year ended December 31, 2018.

**LIBERTY TOWNSHIP  
TRUMBULL COUNTY**

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

**Note 4 – Budgetary Activity**

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

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 848,003	\$ 1,061,347	\$ 213,344
Special Revenue	6,600,268	6,140,750	(459,518)
Capital Projects	325,000	439,131	114,131
Total	\$ 7,773,271	\$ 7,641,228	\$ (132,043)

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 772,179	\$ 770,269	\$ 1,910
Special Revenue	6,510,317	6,114,093	396,224
Capital Projects	170,786	269,631	(98,845)
Total	\$ 7,453,282	\$ 7,153,993	\$ 299,289

**Note 5 – Deposits**

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

	2018
Demand deposits	\$ 1,200,378
Total deposits	\$ 1,200,378

**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.

**Note 6 – Property Taxes**

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

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

**LIBERTY TOWNSHIP  
TRUMBULL COUNTY**

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

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**Note 7 – Risk Management**

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

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

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

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

***Workers' Compensation***

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.

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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, 2018.

***Ohio Police and Fire Retirement System***

Township's certified Fire Fighters and full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F 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. OP&F participants contributed 12.25 percent of their wages. The Township contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages and 24 percent of full-time fire fighters' wages, respectively. The Township has paid all contributions required through December 31, 2018.

**LIBERTY TOWNSHIP  
TRUMBULL COUNTY**

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

**Note 9 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 1 percent during calendar year 2018. OP&F contributes 0.5 percent to fund these benefits.

**Note 10 – Debt**

Debt outstanding at December 31, 2018, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Note - 2014 Roads	\$ 19,674	2.70%
General Obligation Note - 2015 Roads	26,128	2.70%
OPWC CF12N-Arbor Circle/Goldie Road	183,750	0.00%
2016-2017 Ford Interceptor	10,986	8.26%
2017 Ford Interceptor	13,054	8.26%
Ambulance Lease	67,794	3.99%
Bobcat Equipment	52,772	3.30%
2018 Ford E35 Medix RP90 Ambulance	92,895	5.25%
Total	<u>\$ 467,053</u>	

The Township issued general obligation notes to finance the pavement of roads. The Township's taxing authority collateralized the notes. The notes are paid semiannually from the Road and Bridge Fund.

The OPWC loan was fully disbursed during 2018 and will be amortized on a semi-annual basis beginning January 2019 over a Twenty (20) year term with payments of \$9,187 per year.

In 2016, the Township entered into a Master-Lease Purchase agreement with Statewide Emergency Products for a 2016 Ford Police Interceptor for \$38,139. The lease is for three years and is paid from the Police District Fund annually. This lease has been paid in full as of December 31, 2018.

In 2017, the Township entered into a Master-Lease Purchase agreement with Statewide Municipal Leasing for a 2016-2017 Ford Utility Interceptor for \$33,029. The lease is for three years and is paid from the Fire District Fund annually.

In 2017, the Township entered into a Master-Lease Purchase agreement with Statewide Municipal Leasing for a 2017 Ford Utility Interceptor for \$39,246. The lease is for three years and is paid from the Police District and Drug Law Enforcement Fund annually.

In 2017, the Township entered into a Master-Lease Purchase agreement with TCF Equipment Finance for a 2017 Medix RP90 Ambulance for \$95,978. The lease is for ten years and is paid from the Ambulance and Emergency Medical Services Fund semiannually.

The Township procured a Short-Term General Obligation Tax Anticipation Notes (TAN), series 2018 to cover payroll in the police fund. This loan has been paid in full as of December 31, 2018. The Township's taxing authority collateralized the note and the loan.

**LIBERTY TOWNSHIP  
TRUMBULL COUNTY**

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

**Note 10 – Debt**

In 2017, the Township entered into a Master-Lease Purchase agreement with FNB Commercial Leasing for a 2017 Bobcat T650 T4 Compact Track Loader and a 2017 Bobcat E45 T4 Compact Excavator for \$103,678. The lease is for four years and is paid from the Road and Bridge Fund semiannually.

In 2018, the Township entered into a Master-Lease Purchase agreement with TCF Equipment Finance for a 2018 Medix RP90 Ambulance for \$104,618. The lease is for five years and is paid from the Ambulance and Emergency Medical Services Fund semiannually.

**Amortization**

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

Year Ending December 31:	General Obligation Note 2014 Roads	General Obligation Note 2015 Roads	OPWC CF12N- Arbor Circle/Goldie Road	2016-2017 Ford Interceptor	2017 Ford Interceptor	Ambulance	Bobcat Equipment	2018 Ford E350 Mediz RP90 Ambulance
2019	\$ 19,941	\$ 26,479	\$ 9,187	\$ 11,920	\$ 14,163	20,946	\$ 27,439	\$ 23,446
2020	-	-	9,187	-	-	20,946	27,439	23,446
2021	-	-	9,187	-	-	20,946	-	23,446
2022	-	-	9,187	-	-	10,474	-	23,446
2023	-	-	9,187	-	-	-	-	11,723
2024-2028	-	-	45,937	-	-	-	-	-
2029-2033	-	-	45,937	-	-	-	-	-
2034-2038	-	-	45,941	-	-	-	-	-
<b>Total</b>	<b>\$ 19,941</b>	<b>\$ 26,479</b>	<b>\$ 183,750</b>	<b>\$ 11,920</b>	<b>\$ 14,163</b>	<b>\$ 73,312</b>	<b>\$ 54,878</b>	<b>\$ 105,507</b>

**Note 11 – Contingent Liabilities**

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

**Note 12 – Subsequent Events**

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. The Township's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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

July 30, 2021

Liberty Township  
Trumbull County  
1315 Churchill-Hubbard Road  
Youngstown, Ohio 44505

To the Board of Trustees:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of **Liberty Township**, Trumbull County, (the Township) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated July 30, 2021, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit and we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of audit findings that we consider material weaknesses. We consider finding 2019-001 to be a material weakness.

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

***Compliance and Other Matters***

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2019-002.

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

The Township's responses to the findings identified in our audit are described in the accompanying schedule of audit findings. We did not subject the Township's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

***Purpose of this Report***

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



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

LIBERTY TOWNSHIP  
TRUMBULL COUNTY

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

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

FINDING NUMBER 2019-001

**Material Weakness**

**Posting Receipts and Disbursements**

Receipts and disbursements should be posted to the fund and line item accounts as established by Ohio Administrative Code.

During 2019 and 2018, several receipts and disbursements were not posted into accurate classifications based on the source of the receipt or disbursement. The following posting errors were noted:

- In 2019, debt proceeds were recorded as Other Financing Source instead of Other Debt Proceeds for the OPWC loan and the Pumper Truck Loan.
- In 2019, grant revenue was recorded as Other Financing Sources instead of Intergovernmental for an OPWC grant.
- In 2018, debt proceeds were recorded as Intergovernmental instead of Other Debt Proceeds for the OPWC loan.
- In 2018, principal and interest payments were classified as public safety instead of principal and interest.

Not posting revenues and disbursements accurately resulted in the financial statements requiring several reclassifications. The accompanying financial statements reflect all reclassifications.

The following errors noted in the Township's financial statements were determined to be immaterial and did not require adjustments to properly present the Township's financial activity:

- In 2019 and 2018, the Township levied portion of permissive motor vehicle license tax was recorded as intergovernmental instead of property and other local taxes.

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

We also recommend the Fiscal Officer refer to the Ohio Township Handbook and Ohio Administration Code for guidance to determine the proper establishment of receipt and expenditure accounts and posting of receipts and expenditures.

**Management's Response** – The new Fiscal Officer is performing a detailed review of the township financial statements. In the future, the new Fiscal Officer will refer to the Ohio Township Handbook for guidance on proper classification of receipts and disbursements and will make adjustments going forward.

LIBERTY TOWNSHIP  
TRUMBULL COUNTY

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

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

FINDING NUMBER 2019-002

**Noncompliance**

**Ohio Rev. Code § 5705.41(B)** provides that no subdivision or taxing unit is to expend money unless it has been appropriated.

At the end of 2019, the Township's disbursements exceeded appropriations for the following:

- Police District Fund in the amount of \$213,147,
- Fire District Fund in the amount of \$50,164,

At the end of 2018, the Townships disbursements exceeded appropriations for the following:

- Police District Fund in the amount of \$89,541,
- Public Works Commission Project Issue Fund in the amount of \$98,845.

The Township should amend the budget if available to help ensure disbursements do not exceed appropriations.

**Management's Response** – The new Fiscal Officer will monitor the expenditures throughout the year so that expenditures do not exceed appropriations and will bring to the attention of the Board of Trustees any need to amend the appropriations or transfer appropriations as appropriate for resources and expenditures so that expenditures do not exceed appropriations.

**LIBERTY TOWNSHIP  
TRUMBULL COUNTY**

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

Finding Number	Finding Summary	Status	Additional Information
2017-001	Ohio Revised Code Sections 505.24 and 507.09	Corrected	
2017-002	Posting Receipts and Disbursements	Not Corrected	Repeated as Finding number 2019-001
2017-003	Integrated Accounting System	Corrected	
2017-004	Bank Reconciliations	Corrected	
2017-005	26 U.S.C. Section 3402 and Ohio Revised Code Section 5747.06	Corrected	
2017-006	Ohio Revised Code Section 5705.10(I)	Corrected	
2017-007	Ohio Revised Code Section 5705.41(B)	Not Corrected	Repeated as Finding number 2019-002
2017-008	Ohio Revised Code Section 5705.39	Corrected	
2017-009	Ohio Revised Code Section 5705.41(D)	Partially Corrected	Moved to Management Letter

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# OHIO AUDITOR OF STATE KEITH FABER



**LIBERTY TOWNSHIP**

**TRUMBULL COUNTY**

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

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



**Certified for Release 9/9/2021**

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

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