



**CANFIELD 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  
Canfield Township  
21 South Broad Street  
Canfield, Ohio 44406

We have reviewed the *Independent Auditor's Report* of Canfield 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. Canfield 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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**CANFIELD TOWNSHIP  
MAHONING COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

Canfield Township  
Mahoning County  
21 S. Broad Street  
Canfield, Ohio 44406

To the Board of Trustees:

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

#### *Unmodified and Adverse Opinions*

We have audited the financial statements of Canfield 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 years ended December 31, 2021 and 2020, 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, 2021 and 2020, 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 14 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.

***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

**Canfield 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 919,779	\$ 264,742	\$ 1,184,521
Licenses, Permits, and Fees	193,425	4,406	197,831
Fines and Forfeitures	5,933	-	5,933
Intergovernmental	201,312	708,631	909,943
Special Assessments	-	70,606	70,606
Earnings on Investments	40,082	971	41,053
Miscellaneous	19,799	8,869	28,668
<i>Total Cash Receipts</i>	<u>1,380,330</u>	<u>1,058,225</u>	<u>2,438,555</u>
<b>Cash Disbursements</b>			
Current:			
General Government	418,457	4,256	422,713
Public Safety	300,001	3,563	303,564
Public Works	47,962	489,644	537,606
Health	112,635	4,875	117,510
Conservation-Recreation	34,524	1,130	35,654
Capital Outlay	16,530	28,482	45,012
Debt Service:			
Principal Retirement	-	43,762	43,762
Interest and Fiscal Charges	-	1,671	1,671
<i>Total Cash Disbursements</i>	<u>930,109</u>	<u>577,383</u>	<u>1,507,492</u>
<i>Excess of Receipts Over/(Under) Disbursements</i>	<u>450,221</u>	<u>480,842</u>	<u>931,063</u>
<b>Other Financing Receipts/(Disbursements)</b>			
Transfers In	-	150,000	150,000
Transfers Out	(150,000)	-	(150,000)
Other Financing Uses	(43,345)	-	(43,345)
<i>Total Other Financing Receipts/(Disbursements)</i>	<u>(193,345)</u>	<u>150,000</u>	<u>(43,345)</u>
<i>Net Change in Fund Cash Balances</i>	256,876	630,842	887,718
Fund Cash Balances, January 1	<u>4,689,374</u>	<u>542,952</u>	<u>5,232,326</u>
<i>Total Fund Cash Balances, December 31</i>	<u><b>\$ 4,946,250</b></u>	<u><b>\$ 1,173,794</b></u>	<u><b>\$ 6,120,044</b></u>

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

**Canfield 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, 2021

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	<u><b>Custodial</b></u>
<b>Additions</b>	
Deposits Received	\$ -
<i>Total Additions</i>	<u>-</u>
<b>Deductions</b>	
Distributions of Deposits	<u>47,130</u>
<i>Total Deductions</i>	<u>47,130</u>
<i>Net Change in Fund Balance</i>	(47,130)
<i>Fund Cash Balance, January 1</i>	<u>47,130</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$ -</u></u>

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

**Canfield 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 Canfield 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, zoning, and contracts with the Mahoning County Sheriff to provide police protection.

***Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pools***

The Township participates in 3 joint ventures, 2 jointly governed organizations and 1 public entity risk pool. Notes 10 and 11 to the financial statements provide additional information for these entities, which are;

Joint Venture - Windsor House - Canfield Community Joint Economic Development District (JEDD) - In April 2015, the Canfield Township Board of Trustees approved the formation of this JEDD with the City of Canfield. The parties have entered into an agreement to create and provide for the operation of this JEDD in accordance with the Ohio Revised Code. The purpose of this JEDD is to facilitate economic development, to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State of Ohio, Mahoning County, Canfield Township and the City of Canfield.

Joint Venture - Millennial Moments Joint Economic Development District (JEDD) - In April 2019, the Canfield Township Board of Trustees approved the formation of this JEDD with the City of Canfield. The parties have entered into an agreement to create and provide for the operation of the JEDD in accordance with 715.72 of the Ohio Revised Code. The purpose of this JEDD is to facilitate economic development, to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State of Ohio, Mahoning County, Canfield Township and the City of Canfield.

Joint Venture – Mixed Use Overlay Zoning Joint Economic Development District (JEDD) - In February 2018, the Canfield Township Board of Trustees approved the formation of this JEDD with the City of Canfield. The parties have entered into an agreement to create and provide for the operation of the JEDD in accordance with the Ohio Revised Code. The purpose of this JEDD is to provide a variety of retail and business opportunities be expanding permitted uses.

Jointly Governed Organization - Cardinal Joint Fire District (CJFD) – Canfield Township and the City of Canfield by Joint Resolution in July 1989 created CJFD as a separate and distinct legal entity pursuant to ORC 505.371 for the purpose of providing fire protection and certain emergency services to the inhabitants of the Township and City. Providing for a five-person board comprised of a Trustee, resident of the Township, City Councilperson, resident of the City and those four select a fifth member who must be a resident of either entity to administer and govern CJFD. The Township maintains fire station III supported by a .10 outside levied millage.

**Canfield Township**  
*Mahoning County*

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

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Jointly Governed Organization - ABC Water and Stormwater District (ABC) - Canfield Township participates in a jointly governed water district with Boardman and Austintown Townships. The district formed in 2009 to efficiently provide for construction, operation, maintenance and financing of stormwater management facilities. Each Township appoints one member to the three-member board. Each Township is equally responsible for the funding and maintenance of the District.

Public Entity Risk Pool – 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 Fund:

***Road District Fund*** The road district fund receives property tax money for constructing, maintaining, and repairing Township roads and accounts for expenditures restricted to that particular purpose.

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

**Canfield Township**  
*Mahoning County*

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

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

***Fire Levy Tax Fund*** The fire levy tax fund receives property tax money for fire protection services and equipment within the Township.

***Local Fiscal Recovery Fund*** The local fiscal recovery fund accounts for and reports American Rescue Plan Act funds for use in accordance with the act.

***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 account holds insurance proceeds from a 2020 fire at a home within the Township. The proceeds are returned to the named insured when repairs, removal, or securing of the structure has been completed and the required proof has been received by the Township.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

***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.

**Canfield Township**  
*Mahoning County*

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

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***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.

***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.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

***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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

**Canfield Township**  
Mahoning County

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

**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 12.

**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	\$1,437,249	\$1,380,330	(\$56,919)
Special Revenue	1,370,547	1,208,225	(162,322)
Capital Projects	54,181	0	(54,181)
Total	\$2,861,977	\$2,588,555	(\$273,422)

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,863,543	\$1,126,189	\$737,354
Special Revenue	1,070,503	580,652	489,851
Capital Projects	54,181	0	54,181
Total	\$2,988,227	\$1,706,841	\$1,281,386

\*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:



**Canfield Township**  
*Mahoning County*

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

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	<u>2021</u>
<b><i>Cash Management Pool:</i></b>	
Demand deposits	\$317,801
Certificates of deposit	<u>1,155,896</u>
Total deposits	<u>1,473,697</u>
STAR Ohio	1,493,542
Repurchase agreement	<u>3,152,805</u>
Total investments	<u>4,646,347</u>
<i>Total carrying amount of deposits and investments held in the Pool</i>	<u><u>\$6,120,044</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. At December 31, 2021, the Township is holding \$6,415 in unremitted 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, 2021, \$74,998 of deposits were not insured or collateralized.

***Investments***

The Township's financial institution transfers securities to the Township's agent to collateralize repurchase agreements. The securities are not in the Township's name.

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

**Note 5 – Property Taxes**

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

**Canfield Township**  
*Mahoning County*

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

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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***

Canfield 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 Canfield 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>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.

**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

**Canfield Township**  
Mahoning County

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

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.

**Note 9 – Debt**

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

	Principal	Interest Rate
2016 OPWC Loan - Starr Centre	\$33,378	0.00%
2019 Note - Farmer's National Bank Pick-up	5,906	3.50%
Total	\$39,284	

The Township, in 2016, was a recipient of the Ohio Public Works Commission (OPWC) Project Grant/Loan for the purpose of financing the Starr Centre/Old Tippecanoe Storm/Rd Rehabilitation Phase I project. This project consisted of replacing and expanding the storm sewer system, full-depth pavement replacement and resurfacing of Starr Centre Drive.

During 2019, the Township issued an Equipment Note to finance the purchase of a 2019 Pick-up Truck. Bi-annual payments are made to Farmer's National Bank for a period of five years.

***Amortization***

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

Year Ended December 31,	2016 OPWC Loan - Starr Centre			2019 Note - Pick-up Truck		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 5,135	\$ -	\$ 5,135	\$ 5,906	\$ 104	\$ 6,010
2023	5,135	-	5,135	-	-	-
2024	5,135	-	5,135	-	-	-
2025	5,135	-	5,135	-	-	-
2026	5,135	-	5,135	-	-	-
2027-2028	7,703	-	7,703	-	-	-
Total	\$ 33,378	\$ -	\$ 33,378	\$ 5,906	\$ 104	\$ 6,010

***Lease***

During 2017, the Township entered into a Lease/Purchase Agreement with Farmer's National Bank for the lease/purchase of an International plow truck in the amount of \$132,472 at 2.37% interest rate for five (5) years. Lease principal and interest costs for the year ended December 31, 2021, were \$28,279.

The following is a schedule of the future minimum lease payments required under the capital lease.

**Canfield Township**  
*Mahoning County*

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

Year Ended December 31,	2018 Plow Truck
2022	\$28,279
Less: Amount	
Representing Interest	(514)
<b><i>Present Value</i></b>	
<b><i>of Minimum Lease</i></b>	<b>\$27,765</b>

**Note 10 – Joint Ventures**

Windsor House - Canfield Community Joint Economic Development District (JEDD)

Canfield Township Board of Trustees entered into an agreement effective April 2015 with the City of Canfield to facilitate economic development, to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of the State of Ohio, the Township and the JEDD.

The JEDD is administered by a five-member Board of Directors consisting of one member representing the City, one member representing the Township, one member representing the owners of businesses located in the JEDD, one member representing persons working within the JEDD, and one member who shall serve as the chairperson who is selected by the other four members. The initial term of the agreement is for a period of twenty-five years from the effective date.

The Board of Directors has entered into an agreement with the City of Canfield to administer, collect and enforce the income tax on behalf of the JEDD. In consideration of its services pertaining to income tax administration and collection, the City shall receive a service fee equal to one percent of gross income tax revenue based upon receipts. The City shall pay one percent of the gross income tax into escrow. Upon termination of the contractual agreement, any property, asset and obligations of the JEDD shall be divided equally between the parties, except that any items of infrastructure constructed by or for anybody shall be retained by that party.

Millennial Moments Joint Economic Development District (JEDD)

The JEDD is administered by a five-member Board of Directors consisting of an elected City official, an elected Township official, one member representing the owners of businesses located in the JEDD, one member representing persons working within the JEDD, and one member who shall serve as the chairperson who is selected by the other four members. The initial term of the agreement is for a period of twenty-five years from the effective date.

The Board of Directors has entered into an agreement with the City of Canfield to administer, collect and enforce the income tax on behalf of the JEDD. In consideration of its services pertaining to income tax administration and collection, the City shall receive a service fee equal to one percent of gross income tax revenue based upon receipts. The City shall pay one percent of the gross income tax into escrow. Upon termination of the contractual agreement, any property, asset and obligations of the JEDD shall be divided equally between the parties, except that any items of infrastructure constructed by or for anybody shall be retained by that party. During 2020, the Millennial Moments developer worked to acquire the necessary permits, finalize plans for installing sanitary, water and stormwater lines, as well as streets.

**Canfield Township**  
*Mahoning County*

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

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Mixed Use Overlay Zoning Joint Economic Development District (JEDD)

In February 2018, the Canfield Township Board of Trustees approved the formation of this JEDD with the City of Canfield. The parties have entered into an agreement to create and provide for the operation of the JEDD in accordance with the Ohio Revised Code. The purpose of this JEDD is to provide a variety of retail and business opportunities by expanding permitted uses.

**Note 11 – Jointly Governed Organizations**

Cardinal Joint Fire District (CJFD)

Canfield Township and the City of Canfield by Joint Resolution in July 1989 created CJFD as a separate and distinct legal entity pursuant to ORC 505.371 for the purpose of providing fire protection and certain emergency services to the inhabitants of the Township and City. Providing for a five-person board comprised of a Trustee, resident of the Township, City Councilperson, resident of the City and those four select a fifth member who must be a resident of either entity to administer and govern CJFD. The Township maintains fire station III supported by a .10 outside levied millage.

ABC Water and Stormwater District

Canfield Township Trustees in conjunction with Austintown and Boardman Board of Trustees in 2009 and pursuant to ORC 6119 found it necessary and advisable and in the best interests of their residents to create a regional water and stormwater district in the Townships' indicated unincorporated areas. In 2012, Canfield Township's Trustees through resolution, included the remainder of its unincorporated areas to promote the general health, safety and welfare of its residents. Currently, each Township's Administrator represents its respective Township on the ABC Board. Canfield Township residents pay a stormwater fee as part of their County Real Estate Taxes and ABC has a procedure for the Township's Trustees to request these funds to improve infrastructure within the Township.

**Note 12 – 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>General</u>	<u>Special Revenue</u>	<u>Total</u>
Outstanding Encumbrances	2,735	3,269	6,004
Total	<u>\$2,735</u>	<u>\$3,269</u>	<u>\$6,004</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. 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.

**Canfield Township**  
*Mahoning County*

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

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**Note 13 – 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 14 – 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.

**Canfield 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

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 783,656	\$ 240,898	\$ -	\$ 1,024,554
Licenses, Permits, and Fees	139,313	4,580	-	143,893
Fines and Forfeitures	3,795	-	-	3,795
Intergovernmental	140,615	601,191	57,857	799,663
Special Assessments	-	65,290	-	65,290
Earnings on Investments	72,561	2,666	-	75,227
Miscellaneous	125,538	9,525	-	135,063
<i>Total Cash Receipts</i>	<u>1,265,478</u>	<u>924,150</u>	<u>57,857</u>	<u>2,247,485</u>
<b>Cash Disbursements</b>				
Current:				
General Government	371,189	353,216	-	724,405
Public Safety	50,000	1,082	-	51,082
Public Works	58,537	577,032	-	635,569
Health	102,299	6,869	-	109,168
Conservation-Recreation	12,552	-	-	12,552
Capital Outlay	65,989	2,409	57,857	126,255
Debt Service:				
Principal Retirement	28,019	42,224	-	70,243
Interest and Fiscal Charges	216	2,717	-	2,933
<i>Total Cash Disbursements</i>	<u>688,801</u>	<u>985,549</u>	<u>57,857</u>	<u>1,732,207</u>
<i>Excess of Receipts Over/(Under) Disbursements</i>	<u>576,677</u>	<u>(61,399)</u>	<u>-</u>	<u>515,278</u>
<b>Other Financing Receipts/(Disbursements)</b>				
Transfers In	-	100,000	-	100,000
Transfers Out	(100,000)	-	-	(100,000)
Advances In	20,000	20,000	-	40,000
Advances Out	(20,000)	(20,000)	-	(40,000)
Other Financing Uses	(857)	-	-	(857)
<i>Total Other Financing Receipts/(Disbursements)</i>	<u>(100,857)</u>	<u>100,000</u>	<u>-</u>	<u>(857)</u>
<i>Net Change in Fund Cash Balances</i>	475,820	38,601	-	514,421
<i>Fund Cash Balances, January 1</i>	<u>4,213,554</u>	<u>504,351</u>	<u>-</u>	<u>4,717,905</u>
<i>Fund Cash Balances, December 31</i>	<u><b>\$ 4,689,374</b></u>	<u><b>\$ 542,952</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 5,232,326</b></u>

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

**Canfield 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

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	<u><b>Custodial</b></u>
<b>Additions</b>	
Deposits Received	\$ 47,130
<i>Total Additions</i>	<u>47,130</u>
<b>Deductions</b>	
Distributions of Deposits	<u>-</u>
<i>Total Deductions</i>	<u>-</u>
<i>Net Change in Fund Balance</i>	47,130
<i>Fund Cash Balance, January 1</i>	<u>-</u>
<i>Fund Cash Balance, December 31</i>	<u><u><b>\$ 47,130</b></u></u>

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



**Canfield 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 Canfield 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, zoning, and contracts with the Mahoning County Sheriff to provide police protection.

***Joint Ventures, Jointly Governed Organizations and Public Entity Risk Pool***

The Township participates in 3 joint ventures, 2 jointly governed organizations and 1 public entity risk pool. Notes 10 and 11 to the financial statements provide additional information for these entities, which are;

Joint Venture - Windsor House - Canfield Community Joint Economic Development District (JEDD) - In April 2015, the Canfield Township Board of Trustees approved the formation of this JEDD with the City of Canfield. The parties have entered into an agreement to create and provide for the operation of this JEDD in accordance with the Ohio Revised Code. The purpose of this JEDD is to facilitate economic development, to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State of Ohio, Mahoning County, Canfield Township and the City of Canfield.

Joint Venture - Millennial Moments Joint Economic Development District (JEDD) - In April 2019, the Canfield Township Board of Trustees approved the formation of this JEDD with the City of Canfield. The parties have entered into an agreement to create and provide for the operation of the JEDD in accordance with 715.72 of the Ohio Revised Code. The purpose of this JEDD is to facilitate economic development, to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the State of Ohio, Mahoning County, Canfield Township and the City of Canfield.

Joint Venture – Mixed Use Overlay Zoning Joint Economic Development District (JEDD) - In February 2018, the Canfield Township Board of Trustees approved the formation of this JEDD with the City of Canfield. The parties have entered into an agreement to create and provide for the operation of the JEDD in accordance with the Ohio Revised Code. The purpose of this JEDD is to provide a variety of retail and business opportunities be expanding permitted uses.

Jointly Governed Organization - Cardinal Joint Fire District (CJFD) – Canfield Township and the City of Canfield by Joint Resolution in July 1989 created CJFD as a separate and distinct legal entity pursuant to ORC 505.371 for the purpose of providing fire protection and certain emergency services to the inhabitants of the Township and City. Providing for a five-person board comprised of a Trustee, resident of the Township, City Councilperson, resident of the City and those four select a fifth member who must be a resident of either entity to administer and govern CJFD. The Township maintains fire station III supported by a .10 outside levied millage.

**Canfield Township**  
*Mahoning County*

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

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Jointly Governed Organization - ABC Water and Stormwater District (ABC) - Canfield Township participates in a jointly governed water district with Boardman and Austintown Townships. The district formed in 2009 to efficiently provide for construction, operation, maintenance and financing of stormwater management facilities. Each Township appoints one member to the three-member board. Each Township is equally responsible for the funding and maintenance of the District.

Public Entity Risk Pool – 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 Fund:

***Road District Fund*** The road district fund receives property tax money for constructing, maintaining, and repairing Township roads and accounts for expenditures restricted to that particular purpose.

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

**Canfield Township**  
*Mahoning County*

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

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***Fire Levy Tax Fund*** The permissive motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township

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

***Ohio Public Works Commission (OPWC) Project Fund*** The public works commission project fund accounts for and reports State OPWC grant money restricted for the purpose of improving Township infrastructure.

***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 account holds insurance proceeds from a 2021 fire at a home within the Township. The proceeds are returned to the named insured when repairs, removal, or securing of the structure has been completed and the required proof has been received by the Township.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

***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.

**Canfield Township**  
*Mahoning County*

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

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**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.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**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.

**Canfield Township**  
Mahoning County

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

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

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

The Township applies restricted resources 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 12.

**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	\$1,213,324	\$1,265,478	\$52,154
Special Revenue	974,258	1,024,150	49,892
Capital Projects	57,857	57,857	0
Total	\$2,245,439	\$2,347,485	\$102,046

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$966,510	\$789,658	\$176,852
Special Revenue	1,138,946	985,549	153,397
Capital Projects	57,857	57,857	0
Total	\$2,163,313	\$1,833,064	\$330,249

**Canfield 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	\$300,235
Certificates of deposit	<u>1,588,537</u>
Total deposits	<u>1,888,772</u>
STAR Ohio	1,492,278
Repurchase agreement	<u>1,898,406</u>
Total investments	<u>3,390,684</u>
<i>Total carrying amount of deposits and investments held in the Pool</i>	<u><u>\$5,279,456</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. At December 31, 2020, the Township was not holding any unremitted 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, \$74,996 of deposits were not insured or collateralized.

***Investments***

The Township’s financial institution transfers securities to the Township’s agent to collateralize repurchase agreements. The securities are not in the Township’s name.

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

**Canfield Township**  
*Mahoning County*

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

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**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***

Canfield 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 Canfield 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	10,894,146

**Canfield Township**  
*Mahoning County*

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

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**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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.

**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>
2016 OPWC Loan - Starr Centre	\$38,513	0.00%
2019 Note - Farmer's National Bank Pick-up	<u>17,409</u>	3.50%
Total	<u>\$55,922</u>	

The Township, in 2016, was a recipient of the Ohio Public Works Commission (OPWC) Project Grant/Loan for the purpose of financing the Starr Centre/Old Tippecanoe Storm/Rd Rehabilitation Phase I project. This project consisted of replacing and expanding the storm sewer system, full-depth pavement replacement and resurfacing of Starr Centre Drive.

During 2019, the Township issued an Equipment Note to finance the purchase of a 2019 Pick-up Truck. Bi-annual payments are made to Farmer’s National Bank for a period of five years.



**Canfield 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,	2016 OPWC Loan - Starr Centre			2019 Note - Pick-up Truck		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 5,135	\$ -	\$ 5,135	\$ 11,504	\$ 516	\$ 12,020
2022	5,135	-	5,135	5,906	104	6,010
2023	5,135	-	5,135	-	-	-
2024	5,135	-	5,135	-	-	-
2025	5,135	-	5,135	-	-	-
2026-2028	12,838	-	12,838	-	-	-
<b>Total</b>	<b>\$ 38,513</b>	<b>\$ -</b>	<b>\$ 38,513</b>	<b>\$ 17,410</b>	<b>\$ 620</b>	<b>\$ 18,030</b>

***Lease***

During 2017, the Township entered into a Lease/Purchase Agreement with Farmer’s National Bank for the lease/purchase of an International plow truck in the amount of \$132,472 at 2.37% interest rate for five (5) years. Lease principal and interest costs for the year ended December 31, 2020, were \$28,279.

The following is a schedule of the future minimum lease payments required under the capital lease.

Year Ended December 31,	2018 Plow Truck
2021	\$28,279
2022	28,265
<b>Total</b>	<b>\$56,544</b>
Less: Amount Representing Interest	(1,656)
<b><i>Present Value of Minimum Lease</i></b>	<b>\$54,888</b>

**Note 10 – Joint Ventures**

Windsor House - Canfield Community Joint Economic Development District (JEDD)

Canfield Township Board of Trustees entered into an agreement effective April 2015 with the City of Canfield to facilitate economic development, to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of the State of Ohio, the Township and the JEDD.

The JEDD is administered by a five-member Board of Directors consisting of one member representing the City, one member representing the Township, one member representing the owners of businesses located in the JEDD, one member representing persons working within the JEDD, and one member who shall serve as the chairperson who is selected by the other four members. The initial term of the agreement is for a period of twenty-five years from the effective date.

**Canfield Township**  
*Mahoning County*

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

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The Board of Directors has entered into an agreement with the City of Canfield to administer, collect and enforce the income tax on behalf of the JEDD. In consideration of its services pertaining to income tax administration and collection, the City shall receive a service fee equal to one percent of gross income tax revenue based upon receipts. The City shall pay one percent of the gross income tax into escrow. Upon termination of the contractual agreement, any property, asset and obligations of the JEDD shall be divided equally between the parties, except that any items of infrastructure constructed by or for anybody shall be retained by that party.

Millennial Moments Joint Economic Development District (JEDD)

The JEDD is administered by a five-member Board of Directors consisting of an elected City official, an elected Township official, one member representing the owners of businesses located in the JEDD, one member representing persons working within the JEDD, and one member who shall serve as the chairperson who is selected by the other four members. The initial term of the agreement is for a period of twenty-five years from the effective date.

The Board of Directors has entered into an agreement with the City of Canfield to administer, collect and enforce the income tax on behalf of the JEDD. In consideration of its services pertaining to income tax administration and collection, the City shall receive a service fee equal to one percent of gross income tax revenue based upon receipts. The City shall pay one percent of the gross income tax into escrow. Upon termination of the contractual agreement, any property, asset and obligations of the JEDD shall be divided equally between the parties, except that any items of infrastructure constructed by or for anybody shall be retained by that party. During 2020, the Millennial Moments developer worked to acquire the necessary permits, finalize plans for installing sanitary, water and stormwater lines, as well as streets.

Mixed Use Overlay Zoning Joint Economic Development District (JEDD)

In February 2018, the Canfield Township Board of Trustees approved the formation of this JEDD with the City of Canfield. The parties have entered into an agreement to create and provide for the operation of the JEDD in accordance with the Ohio Revised Code. The purpose of this JEDD is to provide a variety of retail and business opportunities by expanding permitted uses.

**Note 11 – Jointly Governed Organizations**

Cardinal Joint Fire District (CJFD)

Canfield Township and the City of Canfield by Joint Resolution in July 1989 created CJFD as a separate and distinct legal entity pursuant to ORC 505.371 for the purpose of providing fire protection and certain emergency services to the inhabitants of the Township and City.

Providing for a five-person board comprised of a Trustee, resident of the Township, City Councilperson, resident of the City and those four select a fifth member who must be a resident of either entity to administer and govern CJFD. The Township maintains fire station III supported by a .10 outside levied millage.

**Canfield Township**  
*Mahoning County*

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

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ABC Water and Stormwater District

Canfield Township Trustees in conjunction with Austintown and Boardman Board of Trustees in 2009 and pursuant to ORC 6119 found it necessary and advisable and in the best interests of their residents to create a regional water and stormwater district in the Townships' indicated unincorporated areas. In 2012, Canfield Township's Trustees through resolution, included the remainder of its unincorporated areas to promote the general health, safety and welfare of its residents. Currently, each Township's Administrator represents its respective Township on the ABC Board. Canfield Township residents pay a stormwater fee as part of their County Real Estate Taxes and ABC has a procedure for the Township's Trustees to request these funds to improve infrastructure within the Township.

**Note 12 – 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 unexpended 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 Township had no outstanding encumbrances.

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. 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 13 – 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 14 – 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. Of the amounts received, \$28,500 was sub-granted to each the Canfield Local School District and the Cardinal Joint Fire District. These amounts are reflected as general government expenditures in the Coronavirus Relief Special Revenue Fund on the accompanying financial statements.

**Canfield Township**  
*Mahoning County*

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

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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.

**Note 15 – Change in Accounting Principle**

For 2020, the Township has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds, 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.



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CERTIFIED PUBLIC ACCOUNTANTS

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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***

Canfield Township  
Mahoning County  
21 S. Broad Street  
Canfield, Ohio 44406

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 type fund combined total as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements of Canfield 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.

**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

**CANFIELD 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:

- General Fund homestead and rollback receipts of \$90,339 were incorrectly posted to taxes instead of intergovernmental receipts.
- Fire District Fund homestead and rollback receipts of \$1,946 were incorrectly posted to taxes instead of intergovernmental receipts.
- Road Fund homestead and rollback receipts of \$21,949 were incorrectly posted to taxes instead of intergovernmental receipts.
- Permissive Motor Vehicle Tax Fund license tax receipts of \$16,597 were incorrectly posted to taxes instead of intergovernmental receipts.

2021:

- Permissive Motor Vehicle Tax Fund license tax receipts of \$18,153 were incorrectly posted to taxes instead of intergovernmental receipts.

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.

<p style="text-align: center;"><b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (continued)</b></p>
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**FINDING NUMBER 2021-001-continued**

**Official's Response:**

Management agrees and the issue was corrected in 2022.



**TRUSTEES**  
Joe Paloski  
Brian Governor  
Marie Izzo Cartwright

**FISCAL OFFICER**  
Denise M. Joseph

**TOWNSHIP ADMINISTRATOR**  
Keith Rogers

**ZONING INSPECTOR**  
Traci DeCapua



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**MEETINGS**  
The 2nd and 4th Tuesday  
of each month at 7PM

## CANFIELD TOWNSHIP

Mahoning County, Ohio  
[www.canfieldtownship.org](http://www.canfieldtownship.org)

### 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	Partially Corrected	Repeated as Finding 2021-001

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# OHIO AUDITOR OF STATE KEITH FABER



**CANFIELD 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)