



**TWINSBURG TOWNSHIP  
SUMMIT COUNTY  
REGULAR AUDIT  
FOR THE YEAR ENDED DECEMBER 31, 2021**

313 Second St.  
Marietta, OH 45750  
740 373 0056

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

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

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

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

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



OHIO AUDITOR OF STATE  
KEITH FABER



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Columbus, Ohio 43215  
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(800) 282-0370

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

We have reviewed the *Independent Auditor's Report* of Twinsburg Township, Summit County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2021 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. Twinsburg 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 19, 2022**

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**TWINSBURG TOWNSHIP  
SUMMIT COUNTY**

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740.695.1569

1310 Market Street, Suite 300  
Wheeling, WV 26003  
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749 Wheeling Ave., Suite 300  
Cambridge, OH 43725  
740.435.3417

## INDEPENDENT AUDITOR'S REPORT

Twinsburg Township  
Summit County  
1790 Enterprise Parkway  
Twinsburg, OH 44087

To the Board of Trustees:

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

#### ***Unmodified and Adverse Opinions***

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

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

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

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2021, or the changes in financial position thereof for the year then ended.

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 •

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### ***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.

### ***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 15, 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.



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

June 15, 2022

**TWINSBURG TOWNSHIP  
SUMMIT COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 323,067	\$ 2,173,857	\$ -	\$ 2,496,924
Licenses, Permits and Fees	140,769	-	-	140,769
Fines and Forfeitures	15,360	-	-	15,360
Intergovernmental	2,449,133	679,458	608,503	3,737,094
Special Assessments	5,144	-	-	5,144
Earnings on Investments	7,876	69	-	7,945
Miscellaneous	86,992	2,333	-	89,325
<i>Total Cash Receipts</i>	<u>3,028,341</u>	<u>2,855,717</u>	<u>608,503</u>	<u>6,492,561</u>
<b>Cash Disbursements</b>				
Current:				
General Government	1,397,567	166,395	-	1,563,962
Public Safety	-	1,638,926	-	1,638,926
Public Works	258,282	444,157	1,294,642	1,997,081
Conservation-Recreation	162,807	-	-	162,807
Capital Outlay	146,948	315,976	-	462,924
Debt Service:				
Principal Retirement	562,835	-	-	562,835
Interest and Fiscal Charges	91,608	-	-	91,608
<i>Total Cash Disbursements</i>	<u>2,620,047</u>	<u>2,565,454</u>	<u>1,294,642</u>	<u>6,480,143</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>408,294</u>	<u>290,263</u>	<u>(686,139)</u>	<u>12,418</u>
<b>Other Financing Receipts (Disbursements)</b>				
Other Debt Proceeds	-	-	628,573	628,573
Sale of Capital Assets	258,742	55,500	-	314,242
Transfers In	-	100,000	57,566	157,566
Transfers Out	(157,567)	-	-	(157,567)
Other Financing Uses	(720)	-	-	(720)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>100,455</u>	<u>155,500</u>	<u>686,139</u>	<u>942,094</u>
<i>Net Change in Fund Cash Balances</i>	508,749	445,763	-	954,512
<i>Fund Cash Balances, January 1 (Restated, see note 15)</i>	<u>1,383,823</u>	<u>4,505,757</u>	<u>-</u>	<u>5,889,580</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,892,572</u>	<u>\$ 4,951,520</u>	<u>\$ -</u>	<u>\$ 6,844,092</u>

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

**Twinsburg Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**NOTE 1 – REPORTING ENTITY**

The Constitution and laws of the state of Ohio establish the rights and privileges of the Twinsburg Township, Summit County, (The Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township maintains various public properties (including parks), roads, and bridges and provides residential solid waste and recycling collection, police protection, and fire protection and emergency medical services, along with planning and zoning administration and enforcement. The Township contracts with Kimble Companies to provide residential solid waste disposal and recycling, contracts with the County of Summit and the Summit County Sheriff for police protection, contracts with the City of Twinsburg to provide fire protection and emergency medical services, and provides all other services with a combination of in-house staff and outside vendors as needed.

***Joint Ventures, Public Entity Risk Pools and Related Organizations***

The Township participates in a public entity risk pool and a joint venture and is associated with a related organization. Notes 6, 11, and 12 to the financial statements provide additional information for these entities. The Township's management believes these financial statements present all activities for which the Township is financially accountable.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

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

***Fund Accounting***

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal 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 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:

***2031 Road and Bridge Fund:*** This fund receives money from two special tax levies and is used for constructing, maintaining, and repairing Township roads and bridges.

***2081 Police District Fund:*** This fund receives money from four special tax levies and is used to pay for the cost of police protection services provided by the Summit County Sheriff's Department via contract.

***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:

***4405 Heights #16 Fund:*** This fund receives money from grants and General Fund Transfers and is used to pay for services provided by outside contractors on the Heights Allotment Road Reconstruction Project Phase 16.

**Twinsburg Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4406 Heights #17 Fund:** This fund receives money from grants and General Fund Transfers and is used to pay for services provided by outside contractors on the Heights Allotment Road Reconstruction Project Phase 17.

**4411 Kensington/Ridgetop #2 Fund:** This fund receives money from grants and General Fund Transfers and is used to pay for services provided by outside contractors on the Kensington/Ridgetop Repairs Project Phase 2.

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

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

***Budgetary Process***

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

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

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

***Encumbrances*** – The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2021 budgetary activity appears in Note 3.

***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. The Township uses only interest bearing checking and traditional CD's as deposit instruments. Certificates of deposit are valued at cost.

***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.

**Twinsburg Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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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. 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.

***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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

**Twinsburg Township**  
Summit County  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

**NOTE 3 – BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,967,545	\$ 3,287,083	\$ 319,538
Special Revenue	2,933,120	3,011,217	78,097
Capital Projects	4,303,988	1,294,642	(3,009,346)
Total	\$ 10,204,653	\$ 7,592,942	(2,611,711)

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 3,944,011	\$ 3,149,067	\$ (794,944)
Special Revenue	2,884,069	2,788,771	(95,298)
Capital Projects	1,924,032	1,763,031	(161,001)
Total	\$ 8,752,112	\$ 7,700,869	(1,051,243)

**NOTE 4 - DEPOSITS**

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 accounts are as follows:

	2021
<b>Cash Management Pool:</b>	
Demand deposits	\$ 5,042,984
Certificates of deposit	1,801,108
Total deposits	\$ 6,844,092

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.

***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, \$96,195 of deposits were not insured or collateralized due to the OPCS allowing one financial institution to have a reduced collateral rate.

**Twinsburg Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**NOTE 5 - TAXES**

***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**

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

***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***

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 actuarially-measured liabilities and the assets available to pay those liabilities as of December 31, 2020 (the latest information available):

	<u>2020</u>
Cash and investments	\$36,348,066
Actuarial liabilities	\$10,894,146

**Twinsburg Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**NOTE 7 – DEFINED BENEFIT PENSION PLANS**

***Ohio Public Employees Retirement System***

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

***SIB Loans***

In 2013, 2017, 2018, and 2021 the Township entered into agreements with the Ohio Department of Transportation (ODOT) for State Infrastructure Bank (SIB) Loans in accordance with ORC Section 5531.09. The Loan agreements were executed April 24, 2013, January 25, 2017, April 26, 2018, and March 24, 2021, respectively, with 10, 10, 15, and 10-year terms, respectively, and 3 percent interest rates each, with interest accrual to begin in the 13<sup>th</sup> month and semi-annual payments to begin in the 31<sup>st</sup> month each, with final balances outstanding of \$1,980,988, \$1,927,273, \$1,052,674, and \$628,573 (partial only with disbursements still in progress), respectively, with first semi-annual payments due on October 24, 2015, July 25, 2019, October 26, 2020, and September 24, 2021, respectively, and with last semi-annual payments due on April 24, 2023, January 25, 2027, April 26, 2033, and March 24, 2031, respectively.

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

	Balance Outstanding 12/31/2020	Additions	Deletions	Balance Outstanding 12/31/2021	Interest Rate
SIB, Series 2013	\$ 670,454	\$ -	\$262,208	\$ 408,246	3.0%
SIB, Series 2017	1,503,532	-	232,311	\$1,271,221	3.0%
SIB, Series 2018	1,019,270	-	68,317	\$ 950,953	3.0%
SIB, Series 2021	-	628,573	-	\$ 628,573	3.0%
	<u>\$3,193,256</u>	<u>\$628,573</u>	<u>\$562,836</u>	<u>\$3,258,993</u>	



**Twinsburg Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**NOTE 9 – DEBT (Continued)**

***Amortization***

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

Year Ending December 31:	Principal	Interest	Total
2022	\$ 459,291	\$ 57,309	\$ 516,600
2023	489,649	70,426	560,075
2024	398,807	66,899	465,706
2025	410,861	54,845	465,706
2026	423,279	42,426	465,705
2027-2031	952,701	89,416	1,042,117
2032-2033	124,405	4,319	128,724
Total	<u>\$ 3,258,993</u>	<u>\$ 385,640</u>	<u>\$ 3,644,633</u>

***Leases***

In July 2016, the Township entered into a five-year lease with Toshiba Financial Services, a financing lender for Toshiba equipment, to lease two multi-functional copiers for Township facilities. In accordance with the lease agreement, the Township makes \$196 monthly payments to Toshiba Financial Services beginning in August 2016 and ending in July 2021. In August 2021, the Township entered into a five-year lease with CCT Financial, a financing lender for Meritech equipment, to lease two multi-functional copiers for Township facilities. In accordance with the lease agreement, the Township makes \$133 monthly payments to CCT beginning in September 2021 and ending in August 2026.

In September 2017 the Township entered into a five-year lease with Pitney Bowes, to lease a postage machine and scale for Township use. In accordance with the lease agreement, the Township makes \$197.75 quarterly payments to Pitney Bowes beginning in October 2017 and ending in September 2022.

In October 2020, the Township entered into an installation and rental agreement with Guardian Alarm Company, for a new access management system for Township facilities. In accordance with the agreement, the Township made a \$5,304 payment to Guardian Alarm Company in 2020 and makes \$3,479.52 annual payments to Guardian Alarm Company beginning in 2021 and ending in 2025. In August 2021 the agreement was amended to include additional nominal payment amounts.

In July 2019, the Township entered into a five-year lease with KS State Bank, a financing lender for Utility Truck Equipment, an equipment dealer, to lease a bucket truck to increase overall Service Department efficiency. In accordance with the lease agreement, the Township was to make an \$11,907.50 payment to KS State Bank in 2019 (upon delivery) and was to make \$23,681.85 annual payments to KS State Bank, beginning in 2020 and ending in 2024. Delivery did not occur, however, until 2020, so the initial payment was made in 2020, and the annual payments will be made beginning in 2021 and ending in 2025.

**Twinsburg Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**NOTE 10 – CONTINGENT LIABILITIES**

The Township is defendant in one lawsuit. Although management cannot presently determine the outcome of this suit, management believes that the resolution of this matter will not materially adversely affect the Township's financial condition. 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 11 – JOINT VENTURE**

Per a contract executed in July 2002 and approved by Township voters in November 2002, the Township participates in the Twinsburg Township-Village of Reminderville Joint Economic Development District (the "JEDD"), which is a statutorily created subdivision of the state. The purpose of the JEDD is to facilitate economic development, to create or preserve jobs and employment opportunities, and to improve the economic welfare of the people of the State, the County, the Village, the Township, and the JEDD. This joint venture is considered a separate reporting entity by the Township's management. Accordingly, the joint venture has not been included in these financial statements.

**NOTE 12 – RELATED ORGANIZATION**

Per Summit County Common Pleas Case No. MS-2012-00-0042 Court Order dated July 26, 2012, a transitional period began on January 1, 2014 and ended on December 31, 2016, during which the Township gradually became the appointing authority for the Twinsburg Township Water District (the "Water District"), which is a statutorily created subdivision of the state. The purpose of the Water District is to provide a public water supply to the Water District, which includes all land in the Township. This related organization is considered a separate reporting entity by the Township's management. Accordingly, the related organization has not been included in these financial statements.

**NOTE 13 – FUND BALANCES**

Included in fund balance are amounts the Township cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Capital Projects	Total
Outstanding Encumbrances	\$ 370,733	\$ 223,317	\$ 468,389	\$ 1,062,439
Total	\$ 370,733	\$ 223,317	\$ 468,389	\$ 1,062,439

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. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue, debt service, capital projects, and permanent funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Twinsburg Township**  
*Summit County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**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.

**NOTE 15 – RESTATEMENT OF BEGINNING FUND BALANCE**

The General Fund balances were restated as of January 1, 2021 due to prior period checks that were voided in 2021. The effect of the restatement is noted below.

	<u>General Fund</u>
Ending Fund Balance at December 31, 2020	\$ 1,383,073
Restatement	<u>750</u>
Restated Fund Balance January 1, 2021	<u>\$ 1,383,823</u>

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

Twinsburg Township  
Summit County  
1790 Enterprise Parkway  
Twinsburg, OH 44087

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States 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 as of and for the year ended December 31, 2021 and the related notes to the financial statements of Twinsburg Township, Summit County, (the Township) and have issued our report thereon dated June 15, 2022, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

***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) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes 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 audit findings as item 2021-001 that we consider 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 •

***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 financial statements. 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 finding identified in our audit is described in the accompanying schedule of findings. We did not subject the Township's response 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.



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

June 15, 2022

**TWINSBURG TOWNSHIP  
SUMMIT COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 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**

**Posting Receipts and Disbursements**

The Township is responsible for establishing procedures and controls to help prevent and detect errors in financial reporting.

During 2021, receipts and disbursements were not always posted correctly. The following posting errors were noted:

- OPWC Passthrough receipts were not always properly posted.
- ODOT Fee that was added to the principal outstanding of the SIB loan was not properly recorded as Other Debt Proceeds on the Financial Statements.

Not posting receipts and disbursements accurately resulted in the financial statements requiring adjustment. The Financial Statements reflect all adjustments.

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 revenues and disbursements are properly identified and classified on the financial statements.

We also recommend the Fiscal Officer refer to the Ohio Township Handbook for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements.

**Management's Response** – Regarding the OPWC passthrough receipts, Management attributed the error to a change in OPWC transaction reporting. Management now understands the new procedures and will be able to prevent this from occurring in the future. Regarding the ODOT fee, although the fee was missing in the financial statements, it was correctly reflected in Management's debt schedules and annual report, and Management will ensure that financial statements correctly correspond to other documents in the future.

# OHIO AUDITOR OF STATE KEITH FABER



**TWINSBURG TOWNSHIP**

**SUMMIT COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 8/2/2022**

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)