



**WEATHERSFIELD TOWNSHIP  
TRUMBULL COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED  
DECEMBER 31, 2019 & 2018**



OHIO AUDITOR OF STATE  
KEITH FABER



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Members of the Board  
Weathersfield Township  
1451 Prospect Street  
Mineral Ridge, Ohio 44440

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

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

October 21, 2020

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**WEATHERSFIELD TOWNSHIP  
TRUMBULL COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

Weathersfield Township  
Trumbull County  
1451 Prospect Street  
Mineral Ridge, Ohio 44440

To the Board of Trustees:

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

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type of the Weathersfield Township, Trumbull County (the Township), as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise Weathersfield Township, Trumbull County's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this includes 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.

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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles-(continued)***

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

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

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2019 and 2018, and the respective changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of Weathersfield Township, Trumbull County as of December 31, 2019 and 2018, for the then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Emphasis of Matter***

As discussed in Note 11 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2020, on our consideration of the Township's internal control over financial reporting and on 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

August 19, 2020

**WEATHERSFIELD TOWNSHIP  
TRUMBULL COUNTY**

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

	<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	\$ 300,642	\$ 1,267,456	\$ -	\$1,568,098
Charges for Services	-	42,755	-	42,755
Licenses, Permits, and Fees	65,690	205,310	-	271,000
Fines and Forfeitures	327,599	932,346	-	1,259,945
Intergovernmental	168,786	480,368	-	649,154
Special Assessments	-	50,303	-	50,303
Earnings on Investments	39,168	666	-	39,834
Miscellaneous	73,968	48,239	-	122,207
	<u>975,853</u>	<u>3,027,443</u>	<u>-</u>	<u>4,003,296</u>
Total Cash Receipts				
<b>Cash Disbursements:</b>				
Current:				
General Government	525,560	69,220	-	594,780
Public Safety	-	2,023,617	-	2,023,617
Public Works	9,923	485,719	84,029	579,671
Health	35,677	82,515	-	118,192
Conservation-Recreation	84,397	-	-	84,397
Other	-	5,903	-	5,903
Capital Outlay	24,379	235,250	-	259,629
Debt Service:				
Redemption of Principal	-	123,928	-	123,928
Interest and Other Fiscal Charges	-	6,381	-	6,381
	<u>679,936</u>	<u>3,032,533</u>	<u>84,029</u>	<u>3,796,498</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>295,917</u>	<u>(5,090)</u>	<u>(84,029)</u>	<u>206,798</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers In	-	356,977	77,332	434,309
Transfers Out	<u>(434,309)</u>	<u>-</u>	<u>-</u>	<u>(434,309)</u>
Total Other Financing Receipts/(Disbursements)	<u>(434,309)</u>	<u>356,977</u>	<u>77,332</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	(138,392)	351,887	(6,697)	206,798
Fund Cash Balances, January 1	<u>526,338</u>	<u>1,167,322</u>	<u>6,697</u>	<u>1,700,357</u>
Fund Cash Balances, December 31				
Non-Spendable	-	-	-	-
Restricted	-	1,519,209	-	1,519,209
Committed	-	-	-	-
Assigned	371,924	-	-	371,924
Unassigned	<u>16,022</u>	<u>-</u>	<u>-</u>	<u>16,022</u>
<i>Total Fund Cash Balances, December 31</i>	<u><b>\$387,946</b></u>	<u><b>\$1,519,209</b></u>	<u><b>\$ -</b></u>	<u><b>\$1,907,155</b></u>

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

**WEATHERSFIELD TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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**1. REPORTING ENTITY**

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

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

The Township participates in one public entity risk pool. Note 9 to the financial statements provide additional information for these entities, which are;

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.

**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 receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

***Fund Accounting***

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

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

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

Police District Fund – This fund receives property tax money for covering costs for providing police protection services for the Township.

Fire District Fund – This fund receives money for operational expenses of the volunteer fire department.

**WEATHERSFIELD TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)**

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

Ohio Public Works Commission Fund– The Township received a grant from the State of Ohio for a road safety upgrade project.

***Basis of Accounting***

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

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

***Budgetary Process***

The Ohio Revised Code requires that each 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 re-appropriated.

A summary of 2018 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.

**WEATHERSFIELD TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)**

Money market mutual funds are recorded at share values the mutual funds report. 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.

***Fund Balance***

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

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

***Restricted*** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

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

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

**WEATHERSFIELD TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

*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.

**3. BUDGETARY ACTIVITY**

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

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$863,632	\$975,853	\$112,221
Special Revenue	3,787,583	3,384,420	(403,163)
Capital Project	164,371	77,332	(87,039)
Total	\$4,815,586	\$4,437,605	(\$377,981)

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,384,371	\$1,122,056	\$262,315
Special Revenue	4,911,236	3,116,560	1,794,676
Capital Project	171,016	84,029	86,987
Total	\$6,466,623	\$4,322,645	\$2,143,978

**4. Deposits and Investments**

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

	2018
Demand deposits	\$370,920
STAR Ohio	1,536,235
Total deposits and investments	\$1,907,155

*Deposits*

Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**WEATHERSFIELD TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

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

**6. DEBT**

Debt outstanding at December 31, 2018 was as follows:

	Principal	Interest Rate
OPWC Loan - CF29G	\$54,887	0.00%

***Leases***

The Township leases vehicles and other equipment under noncancelable leases. The Township disbursed \$127,259 to pay lease costs for the year ended December 31, 2018. The Township paid its fire truck and fire vehicles leases off in full during 2018 and also made principal payments on the OPWC loan.

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

Year Ended December 31,	OPWC Loan	Police Vehicle Leases
2019	\$ 3,049	\$ 39,195
2020	3,049	39,195
2021	3,049	39,195
2022	3,049	9,799
2023	3,049	-
2024-2028	15,245	-
2029-2033	15,245	-
2034-2037	9,152	-
Total	\$ 54,887	\$ 127,384

**WEATHERSFIELD TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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**7. RETIREMENT SYSTEMS**

***Ohio Public Employees Retirement System***

Some 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Township contributed an amount equaling 14%, of participants' gross salaries. The Township has paid all contributions required through December 31, 2018.

**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 2018. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2018.

**9. 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***

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
- \* Automobile liability
- \* Vehicles
- \* Property
- \* Equipment breakdown

**WEATHERSFIELD TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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**9. RISK MANAGEMENT – (continued)**

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

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

**10 – CONTINGENT LIABILITIES**

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

**11 – SUBSEQUENT EVENT**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. In addition, the impact on the Township's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**WEATHERSFIELD TOWNSHIP  
TRUMBULL COUNTY**

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

	<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	\$ 301,122	\$ 1,271,960	\$ -	\$1,573,082
Charges for Services	-	74,741	-	74,741
Licenses, Permits, and Fees	65,077	189,885	-	254,962
Fines and Forfeitures	391,582	535,583	-	927,165
Intergovernmental	178,466	919,025	74,879	1,172,370
Special Assessments	-	47,287	-	47,287
Earnings on Investments	40,040	1,095	-	41,135
Miscellaneous	44,050	93,093	-	137,143
	<u>1,020,337</u>	<u>3,132,669</u>	<u>74,879</u>	<u>4,227,885</u>
Total Cash Receipts				
<b>Cash Disbursements:</b>				
Current:				
General Government	539,642	188,259	-	727,901
Public Safety	-	2,718,161	-	2,718,161
Public Works	11,378	437,601	58,810	507,789
Health	32,060	74,787	-	106,847
Conservation-Recreation	79,719	-	-	79,719
Other	-	18,771	-	18,771
Capital Outlay	38,912	70,644	74,879	184,435
Debt Service:				
Redemption of Principal	-	122,821	-	122,821
Interest and Other Fiscal Charges	-	1,787	-	1,787
	<u>701,711</u>	<u>3,632,831</u>	<u>133,689</u>	<u>4,468,231</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>318,626</u>	<u>(500,162)</u>	<u>(58,810)</u>	<u>(240,346)</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Sale of Fixed Assets	-	5,500	-	5,500
Transfers In	-	428,518	58,810	487,328
Transfers Out	<u>(487,328)</u>	<u>-</u>	<u>-</u>	<u>(487,328)</u>
Total Other Financing Receipts/(Disbursements)	<u>(487,328)</u>	<u>434,018</u>	<u>58,810</u>	<u>5,500</u>
<i>Net Change in Fund Cash Balances</i>	(168,702)	(66,144)	-	(234,846)
Fund Cash Balances, January 1	<u>387,946</u>	<u>1,519,209</u>	<u>-</u>	<u>1,907,155</u>
Fund Cash Balances, December 31				
Non-Spendable	-	-	-	-
Restricted	-	1,452,881	-	1,452,881
Committed	-	184	-	184
Assigned	216,975	-	-	216,975
Unassigned	<u>2,269</u>	<u>-</u>	<u>-</u>	<u>2,269</u>
<i>Total Fund Cash Balances, December 31</i>	<u><b>\$219,244</b></u>	<u><b>\$1,453,065</b></u>	<u><b>\$ -</b></u>	<u><b>\$1,672,309</b></u>

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

**WEATHERSFIELD TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

---

**1. REPORTING ENTITY**

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

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

The Township participates in one public entity risk pool. Note 9 to the financial statements provide additional information for these entities, which are;

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.

**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 receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

***Fund Accounting***

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

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

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

Police District Fund – This fund receives property tax money for covering costs for providing police protection services for the Township.

Fire District Fund – This fund receives money for operational expenses of the volunteer fire department.

**WEATHERSFIELD TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)**

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

Ohio Public Works Commission Fund– The Township received a grant from the State of Ohio for a road safety upgrade project.

***Basis of Accounting***

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

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

***Budgetary Process***

The Ohio Revised Code requires that each 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 re-appropriated.

A summary of 2019 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.

**WEATHERSFIELD TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)**

Money market mutual funds are recorded at share values the mutual funds report. 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.

***Fund Balance***

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

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

***Restricted*** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

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

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

**WEATHERSFIELD TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

*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.

**3. BUDGETARY ACTIVITY**

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

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,045,422	\$1,020,337	(\$25,085)
Special Revenue	5,365,449	3,566,687	(1,798,762)
Capital Project	140,000	133,689	(6,311)
Total	\$6,550,871	\$4,720,713	(\$1,830,158)

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,417,346	\$1,202,009	\$215,337
Special Revenue	6,613,366	3,701,629	2,911,737
Capital Project	140,000	133,689	6,311
Total	\$8,170,712	\$5,037,327	\$3,133,385

**4. Deposits and Investments**

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

	2019
Demand deposits	\$453,538
STAR Ohio	1,218,771
Total deposits and investments	\$1,672,309

*Deposits*

Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**WEATHERSFIELD TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

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

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

**6. DEBT**

Debt outstanding at December 31, 2019 was as follows:

	Principal	Interest Rate
OPWC Loan - CF29G	\$51,838	0.00%
Total	\$51,838	

***Leases***

The Township leases vehicles and other equipment under noncancelable leases. The Township disbursed \$121,560 to pay lease costs for the year ended December 31, 2019. The Township paid its fire equipment and police cruisers leases off in full during 2019 and also made principal payments on the OPWC loan totaling \$3,049.

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

Year Ended December 31,	OPWC Loan
2020	\$ 3,049
2021	3,049
2022	3,049
2023	3,049
2024	3,049
2025-2029	15,245
2030-2034	15,245
2035-2037	6,103
Total	\$ 51,838

**WEATHERSFIELD TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

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**7. RETIREMENT SYSTEMS**

***Ohio Public Employees Retirement System***

Some 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Township contributed an amount equaling 14%, of participants' gross salaries. The Township has paid all contributions required through December 31, 2019.

**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 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2019.

**9. 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***

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
- \* Automobile liability
- \* Vehicles
- \* Property
- \* Equipment breakdown

**WEATHERSFIELD TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

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**9. RISK MANAGEMENT – (continued)**

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

	<u>2019</u>
Cash and Investments	\$35,207,320
Actuarial Liabilities	8,660,234

**10 – CONTINGENT LIABILITIES**

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

**11 – SUBSEQUENT EVENT**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. In addition, the impact on the Township's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.



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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***

Weathersfield Township  
Trumbull County  
1451 Prospect Street  
Mineral Ridge, Ohio 44440

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 by fund type of Weathersfield Township, Trumbull County (the Township) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated August 19, 2020, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township.

**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 entity'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 have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider to be material weaknesses. We consider Finding 2019-001 to be a material weakness.

### **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*.

### **Entity's Response to Findings**

The Township's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CANTER & ASSOCIATES**  
Poland, Ohio

August 19, 2020

**WEATHERSFIELD TOWNSHIP  
TRUMBULL COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2019 AND 2018**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**1. FINANCIAL REPORTING**

**FINDING NUMBER 2019-001**

MATERIAL WEAKNESS

In our audit engagement letter, as required by AU-C § 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintain internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C § 210 paragraphs .A14 & .A16.

Auditor of State Bulletins 2000-008 and 2002-004 provide guidance for local governments participating in on-behalf programs with other governments as to the application of Statement No. 24 of the Governmental Accounting Standards Board. In general, when a local government enters into an on-behalf program agreement with another local government of the State (or the federal government, if applicable), whereby the local government or its residents are the beneficiaries under the agreement, the cash value benefit of the program received under the agreement should be recorded as memorandum receipts and disbursements in the year on-behalf disbursements are made. Per Auditor of State Bulletin 2002-004, the Township should record a receipt and expenditure transactions to account for any payments made on its behalf in the capital projects fund established for these transactions.

Additionally, Auditor of State Bulletin 2011-004 mandated Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions for financial statements for periods beginning after June 15, 2010.

For the years ended December 31, 2019 and 2018, the Fiscal Officer made certain posting errors resulting in audit adjustments as follows:

- Personal Property Tax Loss Reimbursement receipts from the county were classified as property tax receipts rather than as intergovernmental receipts in both 2018 and 2019. As a result, property and other local taxes of \$170,216 for 2018 and \$61,183 for 2019 were reclassified as intergovernmental receipts.
- Homestead and Rollback receipts from the county were classified as property tax receipts rather than as intergovernmental receipts in both 2018 and 2019. As a result, property and other local taxes of \$187,465 for 2018 and \$169,593 for 2019 were reclassified as intergovernmental receipts.
- Real Estate Property taxes from the county were classified as intergovernmental receipts rather than as property tax receipts in both 2018 and 2019. As a result, intergovernmental receipts of \$7,185 for 2018 and \$8,313 for 2019 were reclassified as property and other local taxes receipts.
- Grant receipts from bullet proof vest and safety grants were classified as miscellaneous receipts rather than intergovernmental receipts in both 2018 and 2019. As a result, miscellaneous receipts of \$55,354 for 2018 and \$5,258 for 2019 were reclassified as intergovernmental receipts.

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

**FINDING NUMBER 2019-001 (continued)**

MATERIAL WEAKNESS (continued)

- Charges for services in the police fund for security services were classified as miscellaneous receipts rather than charges for services. As a result, miscellaneous receipts of \$9,553 for 2018 and \$32,833 for 2019 were reclassified as charges for services.
- Sale of assets in the police fund for vehicles sold to neighboring localities were classified as miscellaneous receipts rather than sale of fixed assets. As a result, miscellaneous receipts of \$5,500 for 2019 were reclassified as sale of fixed assets.
- The Township was the beneficiary of Ohio Public Works Commission (OPWC) Issue II monies in the amount of \$74,879 in 2019, which was paid directly to vendors by OPWC. The Township did not record the receipt or expenditures relating to these OPWC monies. An adjustment for this activity was made and reflected on the financial statements, as required by the above Audit Bulletins.

Contrary to GASB 54 fund balance definitions listed in the Bulletin 2011-004, at December 31, the Fiscal Officer misclassified certain fund balances as follows:

- A portion of the General Fund December 31, 2018 and 2019 balances were included as part of the subsequent year's appropriations and, therefore, misclassified as unassigned rather than as assigned. As a result, \$216,975 of the December 31, 2019 and \$371,924 of the December 31, 2018 General Fund balance was reclassified as assigned.

These material reclassifications, to which management agree, have been adjusted in the accompanying Township's financial statements.

The Fiscal Officer should refer to the Ohio Township Handbook for guidance on the proper classification of receipts and on-behalf transactions and to Auditor of State Bulletin 2011-004 for guidance on the proper classification of the fund balances. These reclassifications, with which managements agrees, are reflected in the audited financial statements.

**Official's Response:** We will make adjustments going forward.

**WEATHERSFIELD TOWNSHIP  
TRUMBULL COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2018 AND 2019**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	<b>Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:</b>
2017-001	Financial Reporting	No	See Finding 2019-001

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# OHIO AUDITOR OF STATE KEITH FABER



**WEATHERSFIELD TOWNSHIP**

**TRUMBULL COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 11/5/2020**

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)