



**AUSTINTOWN TOWNSHIP
MAHONING COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**AUSTINTOWN TOWNSHIP
MAHONING COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT

Austintown Township
Mahoning County
82 Ohltown Road
Austintown, Ohio 44515

To the Board of Township Trustees:

We have audited the accompanying financial statements of Austintown Township, Mahoning County (the Township) as of and for the year ended December 31, 1999. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Austintown Township, Mahoning County, as of December 31, 1999, and its combined cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2001 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Township, taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of management, the Board of Township Trustees, and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

February 21, 2001

AUSTINTOWN TOWNSHIP
MAHONING COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total (Memorandum Only)</u>
Cash Receipts:					
Local Taxes	\$537,884	\$4,588,060	\$200,000		\$5,325,944
Licenses, Permits, and Fees	160,340	110,910			271,250
Fines and Forfeitures	42,356	64,865			107,221
Intergovernmental	1,088,774	1,328,279		\$152,020	2,569,073
Special Assessments			39,575	83,547	123,122
Earnings on Investments	64,760	90			64,850
Miscellaneous Cash Receipts	4,707	447,424			452,131
Total Cash Receipts	<u>1,898,821</u>	<u>6,539,628</u>	<u>239,575</u>	<u>235,567</u>	<u>8,913,591</u>
Cash Disbursements:					
General Government	573,008	844,186		3,571	1,420,765
Public Safety		4,738,017			4,738,017
Public Works	393	1,525,534		16,998	1,542,925
Health	130,208	11,537			141,745
Conservation & Recreation	149,949	350,636			500,585
Capital Outlay	8,684	138,642		203,059	350,385
Debt Service - Repayment of Principal			221,000		221,000
Debt Service - Interest & Fiscal Charges			8,673		8,673
Miscellaneous Cash Disbursements		151,133			151,133
Total Cash Disbursements	<u>862,242</u>	<u>7,759,685</u>	<u>229,673</u>	<u>223,628</u>	<u>9,075,228</u>
Excess of Cash Receipts Over/ (Under) Cash Disbursements	1,036,579	(1,220,057)	9,902	11,939	(161,637)
Other Financing Sources/(Uses):					
Proceeds of Notes	40,000	460,000			500,000
Transfers-In	87,191	1,531,171	303,502	16,318	1,938,182
Transfers-Out	(1,540,991)	(397,191)			(1,938,182)
Advances-In	2,229,607	1,969,607	235,000	25,000	4,459,214
Advances-Out	(2,229,607)	(1,969,607)	(235,000)	(25,000)	(4,459,214)
Other Financing Sources		6,883			6,883
Total Other Financing Sources/(Uses)	<u>(1,413,800)</u>	<u>1,600,863</u>	<u>303,502</u>	<u>16,318</u>	<u>506,883</u>
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing (Uses)	<u>(377,221)</u>	<u>380,806</u>	<u>313,404</u>	<u>28,257</u>	<u>345,246</u>
Fund Cash Balances - January 1, 1999	<u>720,868</u>	<u>738,771</u>	<u>36,021</u>	<u>28,120</u>	<u>1,523,780</u>
Fund Cash Balances - December 31, 1999	<u><u>\$343,647</u></u>	<u><u>\$1,119,577</u></u>	<u><u>\$349,425</u></u>	<u><u>\$56,377</u></u>	<u><u>\$1,869,026</u></u>
Reserve for Encumbrances, December 31, 1999	<u><u>\$15,255</u></u>	<u><u>\$344,100</u></u>		<u><u>\$327</u></u>	<u><u>\$359,681</u></u>

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

**AUSTINTOWN TOWNSHIP
MAHONING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND CASH BALANCES - ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Nonexpendable Trust</u>	<u>Agency</u>	<u>Total (Memorandum Only)</u>
Cash Receipts:			
Earnings on Investments	<u>\$193</u>	<u> </u>	<u>\$193</u>
Total Cash Receipts	<u>193</u>	<u> </u>	<u>193</u>
Cash Disbursements:			
Supplies and Materials	<u>191</u>	<u> </u>	<u>191</u>
Total Cash Disbursements	<u>191</u>	<u> </u>	<u>191</u>
Excess of Cash Receipts Over/ (Under) Cash Disbursements	<u>2</u>	<u> </u>	<u>2</u>
Fund Cash Balances - January 1, 1999	<u>3,333</u>	<u>\$1,137</u>	<u>4,470</u>
Fund Cash Balances - December 31, 1999	<u><u>\$3,335</u></u>	<u><u>\$1,137</u></u>	<u><u>\$4,472</u></u>
Reserve for Encumbrances, December 31, 1999	<u> </u>	<u> </u>	<u> </u>

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

**AUSTINTOWN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Austintown Township, Mahoning County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance, cemetery maintenance, police and fire protection and emergency medical services.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

C. Cash and Investments

Certificates of deposit are valued at cost.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Police District Fund - This fund receives property tax money to provide the Township with Police protection.

**AUSTINTOWN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Fire District Fund - This fund receives property tax money to provide the Township with Fire protection.

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

3. Debt Service Funds

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township had the following significant Debt Service Funds:

Note Retirement Fund - This fund receives property tax money to pay Township note indebtedness.

4. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project funds:

Public Works Funds - This fund is to account for projects financed by Issue II monies.

Lighting Districts - This fund uses special assessment monies to pay for street lights.

5. Fiduciary Funds (Trust and Agency Funds)

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township had the following significant fiduciary funds:

Morse Hargate Buck Cemetery Bequest Fund - This fund accounts for monies were remanded to the Cemetery for the long-term care of certain grave sites.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

1. 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. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**AUSTINTOWN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

2. 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 also approve estimated resources.

3. 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 1999 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	1999
Demand deposits	\$94,080
Certificates of deposit	<u>1,000</u>
Total deposits	<u>95,080</u>
Repurchase Agreements (SWEEP Accounts)	<u>1,778,418</u>
Total investments	<u>1,778,418</u>
Total deposits and investments	<u><u>\$1,873,498</u></u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

Investments: Repurchase agreement investments include uninsured and unregistered investments for which the securities are held by the broker or dealer or by its trust department but not in the Township's name.

**AUSTINTOWN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,274,419	\$2,026,012	(\$248,407)
Special Revenue	9,164,612	8,537,682	(626,930)
Debt Service	543,077	543,077	0
Capital Projects	186,795	251,884	65,089
Fiduciary	250	193	(57)
Total	\$12,169,153	\$11,358,848	(\$810,305)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,668,940	\$2,418,488	\$250,452
Special Revenue	8,890,151	8,500,976	389,175
Debt Service	26,171	229,673	(203,502)
Capital Projects	211,000	223,955	(12,955)
Fiduciary	3,367	191	3,176
Total	\$11,799,629	\$11,373,283	\$426,346

Disbursements and encumbrances (budgetary expenditures) exceeded appropriations and prior year carryover encumbrances (appropriation authority) in the following funds: Road and Bridge, Police District, Fire District, Zoning, 1999 ODNR Grant - Natureworks, Maintenance, 1999-2000 Task Force, COPS FAST Universal Hiring, General Note Retirement, Public Works.

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, 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.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

**AUSTINTOWN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999
(Continued)**

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Special Assessment Bonds	\$63,588	6.00%
Promissory Note	300,000	3.42%
Total	\$363,588	

The special assessment bonds were issued to finance street lighting. The bonds are collateralized solely by the Township's taxing authority. The promissory note was a cash flow borrowing and will be paid off in February 2000.

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

Year ending December 31:	Special Assessment Bonds
2000	24,911
2001	23,630
2002	22,926
Total	\$71,467

6. RETIREMENT SYSTEMS

The Township's certified Fire Fighters belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999, members of PFDPF contributed 10% of their wages to the PFDPF. The Township contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The Township has obtained insurance through the Westfield Companies for personal property.

**AUSTINTOWN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999
(Continued)**

7. RISK MANAGEMENT - (Continued)

The Township is solely self-insured for the following insurance coverage:

- Medical
- Prescription
- Dental
- Vision

Anthem Benefit Administrators, Inc. acts in the capacity of a third-party administrator in order to process the payment of the Township employees' claims.

Lincoln National Health and Casualty serves as the stop/loss carrier for the payment of claims exceeding the following:

- \$35,000 per individual coverage
- \$491,547 per aggregate coverage

The Township disburses directly from the payroll operating funds for the self-insurance program.

9. CONTINGENT LIABILITIES

During 1999, in the Mahoning County Court of Common Pleas, a jury verdict was returned against Austintown Township in favor of the plaintiff in the total amount of \$279,866 plus \$144 each day thereafter until the judgement is paid. The jury verdict was timely appealed to the Court of Appeals Seventh Appellate District. The Township believes it has merit in the issues it has raised on appeal, and has accordingly asked that the entire judgement be set aside. Payment of the judgement was stayed without bond during the pendency of the appeal.

10. MAHONING VALLEY LAW ENFORCEMENT TASK FORCE

Austintown Township agreed to become the fiscal agent for the Mahoning Valley Law Enforcement Task Force in October 1997. As of December 31, 1999, the Township maintained the following funds and fund balances on their "books" for the Task Force:

- Drug Law Enforcement Fund - \$33,678, which is utilized to account for the Mahoning Valley Law Enforcement Task Force Grant.
- State Law Enforcement Trust Fund - \$78,107, which is utilized to account for local fines and forfeitures.
- Federal Law Enforcement Trust Fund - \$316,930, which is utilized to account for U.S. Dept. of Justice asset forfeitures.
- Byrne Grant Drug Law Enforcement Fund - \$18, which is utilized to account for the Mahoning Valley Law Enforcement Task Force Byrne Grant.

AUSTINTOWN TOWNSHIP
MAHONING COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 1999

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>Passed Through Governor's Office of Criminal Justice Services:</i>			
Byrne Formula Grant Program	99-DG-A02-7054	16.579	\$236,773
	98-DG-A02-7054		<u>36,658</u>
Total Byrne Formula Grant Program			<u>273,431</u>
<i>Passed Through Mahoning Valley Law Enforcement Task Force</i>			
Federal Equitable Sharing Program (There is no CFDA number)			104,626
<i>Passed Through Youngstown Regional FBI Office:</i>			
Violent Crimes/Fugitive Task Force - Overtime Reimbursements (There is no CFDA number)			11,657
<i>Direct Program:</i>			
Public Safety Partnership and Community Policing Grants	95-CF-WX-0640	16.710	<u>34,093</u>
Total U.S. Department of Justice			<u>423,807</u>
<u>U.S. DEPARTMENT OF HOUSING AND DEVELOPMENT</u>			
<i>Passed Through Mahoning Valley Law Enforcement Task Force</i>			
Outstanding Evidence/Informant Funding (There is no CFDA number)			8,486
Total			<u>\$432,293</u>

The accompanying notes to this schedule are an integral part of this schedule.

**AUSTINTOWN TOWNSHIP
MAHONING COUNTY
DECEMBER 31, 1999**

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A--SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the Township's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B-- MATCHING REQUIREMENTS

Certain Federal programs require that the Government contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Government has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

Austintown Township
Mahoning County
82 Ohltown Road
Austintown, Ohio 44515

To the Board of Township Trustees:

We have audited the financial statements of Austintown Township, Mahoning County (the Township) as of and for the year ended December 31, 1999, and have issued our report thereon dated February 21, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Austintown Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 1999-41150-001. We also noted certain immaterial instances of noncompliance that we have reported to management of Austintown Township in a separate letter dated February 21, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Austintown Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of Austintown Township in a separate letter dated February 21, 2001.

Austintown Township
Board of Township Trustees
Report on Compliance and on Internal Control Required by
Government Auditing Standards
Page 2

This report is intended for the information and use of the management, Board of Township Trustees, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

February 21, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Austintown Township
Mahoning County
82 Ohltown Road
Austintown, Ohio 44515

To the Board of Township Trustees:

Compliance

We have audited the compliance of Austintown Township, Mahoning County (the Township), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 1999. Austintown Township's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Township's management. Our responsibility is to express an opinion on Austintown Township's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about Austintown Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Township's compliance with those requirements.

In our opinion, Austintown Township complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 1999.

Internal Control Over Compliance

The management of Austintown Township is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Township's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the management, Board of Township Trustees, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

February 21, 2001

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505**

**AUSTINTOWN TOWNSHIP
MAHONING COUNTY
DECEMBER 31, 1999**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	CFDA 16.579 - Byrne Formula Grant
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

Finding Number	1999-41150-001
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Noncompliance Citation

Ohio Revised Code § 5705.41(B) prohibits a subdivision from making an expenditure unless it has been properly appropriated.

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505**

**AUSTINTOWN TOWNSHIP
MAHONING COUNTY
DECEMBER 31, 1999**

Disbursements and encumbrances (budgetary expenditures) exceeded appropriations and prior year carryover encumbrances (appropriation authority) in the following funds:

Fund	Appropriation Authority	Budgetary Expenditures	Variance
Road and Bridge	\$1,424,707	\$1,457,377	(\$32,670)
Police District	3,010,781	3,153,186	(142,405)
Fire District	1,523,002	1,699,482	(176,480)
Zoning	139,952	144,634	(4,682)
1999 ODNR Grant - Natureworks	0	40,031	(40,031)
Maintenance	193,089	197,986	(4,897)
1999-2000 Task Force	0	96,758	(96,758)
COPS FAST Universal Hiring	34,093	83,849	(49,756)
General Note Retirement	0	203,502	(203,502)
Public Works	124,000	170,771	(46,771)

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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AUSTINTOWN TOWNSHIP

MAHONING COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 20, 2001**