



Mary Taylor, CPA
Auditor of State



Dave Yost • Auditor of State

January 11, 2011

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 10, 2011. Thus, I am certifying this audit report for release under the signature of my predecessor.

A handwritten signature in black ink that reads "Dave Yost".

DAVE YOST
Auditor of State

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**AUSTINTOWN TOWNSHIP
MAHONING COUNTY**

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**AUSTINTOWN TOWNSHIP
MAHONING COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Austintown Township
Mahoning County
82 Ohltown Rd
Austintown, Ohio 44515

To the Township Trustees:

We have audited the accompanying financial statements of the governmental activities, business-type activities, the major funds, and the aggregate remaining fund information of Austintown Township, Mahoning County, Ohio (the Township), as of and for the year ended December 31, 2009, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with audit 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 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 discussed in Note 1, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Austintown Township, Mahoning County, Ohio, as of December 31, 2009, and the respective changes in cash financial position and where applicable, the respective budgetary comparison for the General, Road and Bridge, Police and Fire Funds thereof for the year then ended in conformity with the basis of accounting Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2010 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.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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We conducted our audit to opine on the financial statements that collectively comprise the Township's basic financial statements. The federal awards expenditure schedule is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. We subjected the federal awards expenditure schedule to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying Federal Awards Expenditure Schedule replaces the Schedule for Austintown Township's fiscal year ended December 31, 2009. You should rely on this report rather than our report dated September 9, 2010. The Schedule was revised to include the Highway Planning and Construction Program (CFDA # 20.205) which previously was omitted from the Schedule.



Mary Taylor, CPA
Auditor of State

September 9, 2010, except for paragraph eight above for which the date is December 7, 2010.

Austintown Township
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

This discussion and analysis of the Austintown Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2009, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2009 are as follows:

Net assets of governmental activities increased \$100,093 or 6 percent. The funds most affected by the increase in cash and cash equivalents were the Gasoline Tax Fund and Park Fund.

The Township's general receipts are primarily property and intergovernmental. These receipts represent \$9,887,088 or 75 percent of the total cash received for the year. Property Tax and intergovernmental receipts for 2009 changed very little compared to 2008.

Net assets of business-type activity decreased \$118,869, or 46 percent.

On January 1, 2009, Austintown became the fiduciary for the Mahoning Valley Law Enforcement Trust. Assets of this trust are reported with those of Austintown and were \$329,030 at the end of 2009.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2009, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental and business-type activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the Townships general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other non-financial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property.

In the statement of net assets and the statement of activities, we divide the Township into two types of activities:

Governmental activities. Most of the Township's basic services are reported here, including police, fire, streets and parks. Property Taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Business-type activities. The Township maintains an office building that rents office space to private sector businesses. Profits from this activity benefit recreational activities of the Township.

Reporting the Township's Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are split into three categories: governmental, proprietary and fiduciary.

Governmental Funds - Most of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, Road and Bridge, Police, and Fire. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

Proprietary Funds – When the Township charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The Township has no enterprise funds. When

Austintown Township
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

the services are provided to other departments of the Township, the service is reported as an internal service fund. The Government has two internal service funds to account for Vehicle Maintenance and Communication (Dispatch).

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the Township's programs.

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2009 compared to 2008 on a cash basis:

(Table 1)

Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Assets						
Cash and Cash Equivalents	\$1,805,848	\$1,707,714	\$141,423	\$260,292	\$1,947,271	\$1,968,006
Investments	3,033	1,000	0	0	3,033	1,000
Total Assets	\$1,808,881	\$1,708,714	\$141,423	\$260,292	\$1,950,304	\$1,969,006
Net Assets						
Restricted for:						
Debt Service	\$0	\$0	\$0	\$0	\$0	\$0
Capital Outlay	38,904	3,987	0	0	38,904	3,987
Permanent Fund	4,366	4,273	0	0	4,366	4,273
Other Purposes	843,177	629,515	0	0	843,177	629,515
Unrestricted	922,434	1,070,939	141,423	260,292	1,063,857	1,331,231
Total Net Assets	\$1,808,881	\$1,708,714	\$141,423	\$260,292	\$1,950,304	\$1,969,006

As mentioned previously, net assets of governmental activities increased \$100,093, or 6 percent during 2009.

Table 2 reflects the changes in net assets on a cash basis in 2009.

Austintown Township
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

(Table 2)
Changes in Net Assets

	Governmental		Business-Type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Receipts:						
Program Receipts:						
Charges for Services and Sales	\$424,643	\$351,593	\$298,031	\$314,267	\$722,674	\$665,860
Operating Grants and Contributions	2,619,121	1,800,260			2,619,121	1,800,260
Capital Grants and Contributions	209,478	258,536			209,478	258,536
Total Program Receipts	3,253,242	2,410,389	298,031	314,267	3,551,273	2,724,656
General Receipts:						
Property and Other Local Taxes	7,038,869	7,128,908			7,038,869	7,128,908
Other Taxes	211,585	200,318			211,585	200,318
Sale of Notes	600,000	700,000			600,000	700,000
Sale of Fixed Assets	16,154	16,731			16,154	16,731
Cable Franchise Fees	198,447	95,768			198,447	95,768
Grants and Entitlements Not Restricted to Specific Programs	1,691,021	1,145,249			1,691,021	1,145,249
Interest	18,480	74,150			18,480	74,150
Miscellaneous	112,531	4,745	41		112,572	4,745
Total General Receipts	9,887,087	9,365,869	41	0	9,887,128	9,365,869
Total Receipts	13,140,329	11,776,258	298,072	314,267	13,438,401	12,090,525
Disbursements:						
General Government	1,262,687	1,107,805			1,262,687	1,107,805
Public Safety	7,840,685	6,906,335			7,840,685	6,906,335
Public Works	1,889,522	2,005,598			1,889,522	2,005,598
Public Health Services	202,579	199,755			202,579	199,755
Leisure Time Activities	339,788	343,701			339,788	343,701
Other	9,524	3,098			9,524	3,098
Capital Outlay	881,237	1,220,697			881,237	1,220,697
Principal Retirement	600,000	738,765			600,000	738,765
Interest and Fiscal Charges	12,396	9,477			12,396	9,477
Other	0	0	416,941	250,109	416,941	250,109
Total Disbursements	13,038,419	12,535,231	416,941	250,109	13,455,360	12,785,340
Excess (Deficiency) Before Transfers	101,910	(758,973)	(118,869)	64,158	(16,959)	(694,815)
Transfers	(1,817)	(329)	0		(1,817)	(329)
Increase (Decrease) in Net Assets	100,093	(759,302)	(118,869)	64,158	(18,776)	(695,144)
Net Assets, January 1,	1,708,788	2,468,015	260,292	196,134	1,969,080	2,664,149
Net Assets, December 31,	\$1,808,881	\$1,708,713	\$141,423	\$260,292	\$1,950,304	\$1,969,005

Austintown Township
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Program receipts represent 25 percent of total receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, building permits and inspection fees and charges for use of contracted police service, such as for crowd control or use of cruisers in traffic control.

General receipts represent 75 percent of the Township's total receipts, and of this amount, 71 percent are local taxes. State and federal grants and entitlements make up the balance of the Township's general receipts (17 percent). Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include the costs of most of the Trustees and Fiscal Officer, as well as building and cemetery upkeep.

Public Safety costs are the costs associated with maintaining and operating the Police, Fire and Communication Departments. Public Works are the costs of maintaining the Township Roads and Storm Water Systems. Public Health Services is mainly the County Health Department; Leisure Time Activities are the costs of maintaining the parks and playing fields.

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for Public Safety and Public Works account for 60 and 14 percent of all governmental disbursements, respectively. General government also represents a significant cost, about 10 percent. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

	Total Cost of Services 2009	Net Cost of Services 2009	Total Cost of Services 2008	Net Cost of Services 2008
General Government	\$1,262,687	\$1,106,235	\$1,107,805	\$960,773
Public Safety	7,840,685	5,821,226	6,906,335	5,801,316
Public Works	1,889,522	993,636	2,005,598	1,046,395
Public Health Services	202,579	172,721	199,755	176,710
Leisure Time Activities	339,788	188,203	343,701	167,610
Other	9,524	9,524	3,098	3,098
Economic Development				
Basic Utilities				
Transportation				
Capital Outlay	881,237	881,237	1,220,697	1,220,697
Principal Retirement	600,000	600,000	738,765	738,765
Interest and Fiscal Charges	12,396	12,396	9,477	9,477
Total Expenses	\$13,038,418	\$9,785,178	\$12,535,231	\$10,124,841

The dependence upon property and intergovernmental receipts is apparent as over 67 percent of governmental activities are supported through these general receipts.

Austintown Township
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

The Township's Funds

Total governmental funds had receipts of \$13,140,328 and disbursements of \$13,038,419. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund decreased \$148,505.

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2009, the Township amended its General Fund budget several times to reflect changing circumstances. The difference between final budgeted receipts and actual receipts was not significant.

Receipts were budgeted at \$2,191,538; actual receipts were \$2,465,757 for a positive variance of \$274,219. Disbursements were budgeted at \$1,208,723 while actual disbursements were \$1,099,509 for a positive variance of \$109,214 giving a net positive variance of \$383,433.

Capital Assets and Debt Administration

Capital Assets

The Township does not currently keep track of its capital assets and infrastructure, other than an annual inventory valuation of assets.

Debt

At December 31, 2009, the Township had the following outstanding debt:

Park	1,951
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Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Michael J. Kurish, Fiscal Officer, Austintown Township, 82 Ohltown Road, Austintown, Ohio 44515.

Austintown Township
Mahoning County
Statement of Net Assets - Cash Basis
December 31, 2009

	Governmental Activities	Business - Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,805,848	\$141,423	\$1,947,271
Investments	3,033		3,033
<i>Total Assets</i>	<u>\$1,808,881</u>	<u>\$141,423</u>	<u>\$1,950,304</u>
Net Assets			
Restricted for:			
Capital Projects	\$38,904		\$38,904
Permanent Fund: For Cemetery Maintenance			
Expendable	1,333		1,333
Nonexpendable	3,033		3,033
Other Purposes	843,177		843,177
Unrestricted	<u>922,434</u>	<u>\$141,423</u>	<u>1,063,857</u>
<i>Total Net Assets</i>	<u>\$1,808,881</u>	<u>\$141,423</u>	<u>\$1,950,304</u>

See accompanying notes to the basic financial statements

Austintown Township
Mahoning County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2009

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets			
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$1,262,687	\$112,799	\$43,653		(\$1,106,235)	\$0	(\$1,106,235)
Public Safety	7,840,685	113,122	1,906,337		(5,821,226)	0	(5,821,226)
Public Works	1,889,522	111,678	574,730	209,478	(993,636)	0	(993,636)
Health	202,580	29,765	93		(172,721)	0	(172,721)
Conservation-Recreation	339,788	57,278	94,307		(188,203)	0	(188,203)
Other	9,524				(9,524)		(9,524)
Capital Outlay	881,237				(881,237)	0	(881,237)
Debt Service:							
Principal Retirement	600,000				(600,000)	0	(600,000)
Interest and Fiscal Charges	12,396				(12,396)	0	(12,396)
<i>Total Governmental Activities</i>	13,038,419	424,642	2,619,120	209,478	(9,785,178)	0	(9,785,178)
Business Type Activity							
Westchester Building	416,941	298,031			0	(118,911)	(118,911)
Total	\$13,455,360	\$722,673	\$2,619,120	\$209,478	(9,785,178)	(118,911)	(9,904,089)
		General Receipts					
		Property Taxes			7,038,869		7,038,869
		Other Taxes			211,585		211,585
		Grants and Entitlements not Restricted to Specific Programs			1,691,021		1,691,021
		Sale of Notes			600,000		600,000
		Sale of Fixed Assets			16,155		16,155
		Cable Franchise Fees			198,447		198,447
		Earnings on Investments			18,480		18,480
		Miscellaneous			112,531	42	112,573
		<i>Total General Receipts</i>			9,887,088	42	9,887,130
		Transfers			(1,817)		(1,817)
		Total General Receipts, Contributions to Permanent Fund, Special Item, Extraordinary Item, Transfers, and Advances			9,885,271	42	9,885,312
		Change in Net Assets			100,093	(118,869)	(18,777)
		<i>Net Assets Beginning of Year</i>			1,708,788	260,292	1,969,080
		<i>Net Assets End of Year</i>			\$1,808,881	\$141,423	\$1,950,304

See accompanying notes to the basic financial statements

Austintown Township
Mahoning County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2009

	General	Road and Bridge	Police District	Fire District	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$922,434	\$101,264	\$24,182	\$69,839	\$626,257	\$1,743,976
Investments					\$3,033	\$3,033
<i>Total Assets</i>	<u>\$922,434</u>	<u>\$101,264</u>	<u>\$24,182</u>	<u>\$69,839</u>	<u>\$629,290</u>	<u>\$1,747,009</u>
Fund Balances						
Reserved:						
Reserved for Encumbrances	\$22,118	\$3,291	\$11,390	\$6,928	\$1,565	\$45,292
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	900,316					\$900,316
Special Revenue Funds		97,973	12,792	62,911	584,868	\$758,544
Capital Projects Funds					38,491	\$38,491
Permanent Fund					4,366	\$4,366
<i>Total Fund Balances</i>	<u>\$922,434</u>	<u>\$101,264</u>	<u>\$24,182</u>	<u>\$69,839</u>	<u>\$629,290</u>	<u>\$1,747,009</u>

See accompanying notes to the basic financial statements

Austintown Township
Mahoning County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

	General	Road and Bridge	Police District	Fire District	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and Other Local Taxes	\$788,238	\$1,102,522	\$3,406,513	\$1,679,024	\$274,157	\$7,250,454
Licenses, Permits and Fees	204,723		4,706		87,356	296,785
Fines and Forfeitures	19,856		14,673	565	265,209	300,303
Intergovernmental	1,427,622	177,930	637,382	525,748	1,517,990	4,286,673
Special Assessments					106,428	106,428
Earnings on Investments	17,603				1,572	19,175
Miscellaneous	7,715	21,022	84,199	52,664	88,622	254,223
<i>Total Receipts</i>	<u>2,465,757</u>	<u>1,301,474</u>	<u>4,147,473</u>	<u>2,258,001</u>	<u>2,341,335</u>	<u>12,514,041</u>
Disbursements						
Current:						
General Government	869,083				180,048	1,049,131
Public Safety	5,000		4,601,415	2,485,162	814,155	7,905,731
Public Works		1,652,427			328,957	1,981,384
Health	183,889				18,690	202,579
Conservation-Recreation	15,000				328,715	343,715
Capital Outlay	4,416	1,395	57,473	315,567	502,386	881,237
Principal Retirement		100,000	300,000	200,000		600,000
Interest and Fiscal Charges		2,066	6,198	4,132		12,396
<i>Total Disbursements</i>	<u>1,077,389</u>	<u>1,755,888</u>	<u>4,965,085</u>	<u>3,004,861</u>	<u>2,172,951</u>	<u>12,976,174</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,388,369</u>	<u>(454,414)</u>	<u>(817,613)</u>	<u>(746,860)</u>	<u>168,384</u>	<u>(462,134)</u>
Other Financing Sources (Uses)						
Sale of Notes		100,000	300,000	200,000		600,000
Sale of Fixed Assets	3,458	2,125	3,238	882	6,451	16,154
Transfers In		360,984	439,677	500,000	165,808	1,466,469
Transfers Out	(1,468,287)					(1,468,287)
Advances In	2,369,706	390,000	800,000	700,000	322,558	4,582,264
Advances Out	(2,435,783)	(390,000)	(800,000)	(700,000)	(256,481)	(4,582,264)
Other Financing Uses	(5,968)					(5,968)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,536,874)</u>	<u>463,109</u>	<u>742,915</u>	<u>700,882</u>	<u>238,336</u>	<u>608,369</u>
<i>Net Change in Fund Balances</i>	<u>(148,505)</u>	<u>8,695</u>	<u>(74,697)</u>	<u>(45,978)</u>	<u>406,720</u>	<u>146,236</u>
<i>Fund Balances Beginning of Year</i>	<u>1,070,939</u>	<u>92,569</u>	<u>98,880</u>	<u>115,817</u>	<u>222,569</u>	<u>1,600,774</u>
<i>Fund Balances End of Year</i>	<u>\$922,434</u>	<u>\$101,264</u>	<u>\$24,182</u>	<u>\$69,839</u>	<u>\$629,290</u>	<u>\$1,747,010</u>

See accompanying notes to the basic financial statements

Austintown Township
Mahoning County
Statement of Cash Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$761,679	\$761,679	\$788,238	\$26,559
Licenses, Permits and Fees	203,000	203,000	204,723	1,723
Fines and Forfeitures	17,000	17,000	19,856	2,856
Intergovernmental	1,198,859	1,198,859	1,427,622	228,763
Earnings on Investments	10,000	10,000	17,603	7,603
Miscellaneous	1,000	1,000	7,715	6,715
<i>Total receipts</i>	<u>2,191,538</u>	<u>2,191,538</u>	<u>2,465,757</u>	<u>274,219</u>
Disbursements				
Current:				
General Government	1,027,176	999,268	891,202	108,066
Public Safety	5,000	5,000	5,000	0
Health	190,000	185,014	183,889	1,125
Conservation-Recreation	15,000	15,000	15,000	0
Capital Outlay	7,000	4,441	4,416	25
<i>Total Disbursements</i>	<u>1,244,176</u>	<u>1,208,723</u>	<u>1,099,507</u>	<u>109,216</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>947,362</u>	<u>982,815</u>	<u>1,366,250</u>	<u>383,435</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets			3,458	3,458
Transfers Out	(1,447,450)	(1,468,287)	(1,468,287)	0
Advances In			2,369,706	2,369,706
Advances Out			(2,435,783)	(2,435,783)
Other Financing Uses		(7,140)	(5,968)	1,172
<i>Total Other Financing Sources (Uses)</i>	<u>(1,447,450)</u>	<u>(1,475,426)</u>	<u>(1,536,874)</u>	<u>(61,447)</u>
<i>Net Change in Fund Balance</i>	(500,088)	(492,612)	(170,623)	321,988
<i>Unencumbered Cash Balance Beginning of Year</i>	1,069,215	1,069,215	1,069,215	0
Prior Year Encumbrances Appropriated	1,724	1,724	1,724	0
<i>Fund Balance End of Year</i>	<u>\$570,851</u>	<u>\$578,327</u>	<u>\$900,316</u>	<u>\$321,988</u>

See accompanying notes to the basic financial statements

**Austintown Township
Mahoning County**

*Statement of Cash Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$1,099,895	\$1,099,895	\$1,102,522	\$2,627
Intergovernmental	229,564	166,564	177,930	11,366
Miscellaneous	6,100	6,100	21,022	14,922
<i>Total receipts</i>	<u>1,335,559</u>	<u>1,272,559</u>	<u>1,301,474</u>	<u>28,915</u>
Disbursements				
Current:				
Public Works	1,799,808	1,710,726	1,655,718	55,008
Capital Outlay	70,000	3,176	1,395	1,781
Debt Service:				
Principal Retirement	100,000	100,000	100,000	0
Interest and Fiscal Charges		2,066	2,066	0
<i>Total Disbursements</i>	<u>1,969,808</u>	<u>1,815,968</u>	<u>1,759,179</u>	<u>56,790</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(634,249)</u>	<u>(543,409)</u>	<u>(457,705)</u>	<u>85,705</u>
Other Financing Sources (Uses)				
Sale of Notes	100,000	100,000	100,000	0
Sale of Fixed Assets			2,125	2,125
Transfers In	470,000	361,000	360,984	(16)
Advances In			390,000	390,000
Advances Out			(390,000)	(390,000)
<i>Total Other Financing Sources (Uses)</i>	<u>570,000</u>	<u>461,000</u>	<u>463,109</u>	<u>2,109</u>
<i>Net Change in Fund Balance</i>	<u>(64,249)</u>	<u>(82,409)</u>	<u>5,404</u>	<u>87,814</u>
<i>Unencumbered Cash Balance Beginning of Year</i>	89,305	89,305	89,305	0
Prior Year Encumbrances Appropriated	3,264	3,264	3,264	0
<i>Fund Balance End of Year</i>	<u>\$28,320</u>	<u>\$10,159</u>	<u>\$97,973</u>	<u>\$87,814</u>

See accompanying notes to the basic financial statements

**Austintown Township
Mahoning County**

*Statement of Cash Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Police District Fund
For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$3,407,912	\$3,401,416	\$3,406,513	\$5,097
Licenses, Permits and Fees	3,000	3,000	4,706	1,706
Fines and Forfeitures		11,085	14,673	3,588
Intergovernmental	529,736	635,809	637,383	1,574
Miscellaneous	35,500	88,473	84,199	(4,274)
<i>Total receipts</i>	<u>3,976,148</u>	<u>4,139,783</u>	<u>4,147,472</u>	<u>7,690</u>
Disbursements				
Current:				
Public Safety	4,600,417	4,612,805	4,612,805	0
Capital Outlay	93,783	57,473	57,473	0
Debt Service:				
Principal Retirement	300,000	300,000	300,000	0
Interest and Fiscal Charges	5,000	6,198	6,198	0
<i>Total Disbursements</i>	<u>4,999,200</u>	<u>4,976,476</u>	<u>4,976,476</u>	<u>0</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,023,052)</u>	<u>(836,693)</u>	<u>(929,003)</u>	<u>7,690</u>
Other Financing Sources (Uses)				
Sale of Notes	300,000	300,000	300,000	0
Sale of Fixed Assets			3,238	3,238
Transfers In	660,000	439,677	439,677	0
Advances In			800,000	800,000
Advances Out			(800,000)	(800,000)
<i>Total Other Financing Sources (Uses)</i>	<u>960,000</u>	<u>739,677</u>	<u>742,915</u>	<u>3,238</u>
<i>Net Change in Fund Balance</i>	<u>(63,052)</u>	<u>(97,016)</u>	<u>(86,088)</u>	<u>10,928</u>
<i>Unencumbered Cash Balance Beginning of Year</i>	87,663	87,663	87,663	0
Prior Year Encumbrances Appropriated	11,217	11,217	11,217	0
<i>Fund Balance End of Year</i>	<u><u>\$35,828</u></u>	<u><u>\$1,864</u></u>	<u><u>\$12,792</u></u>	<u><u>\$10,928</u></u>

See accompanying notes to the basic financial statements

**Austintown Township
Mahoning County**

*Statement of Cash Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Fire District Fund
For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	(Optional)
	Original	Final		Variance with Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$1,716,761	\$1,716,761	\$1,679,024	(\$37,737)
Licenses, Permits and Fees	10,000	10,000		(10,000)
Fines and Forfeitures			565	565
Intergovernmental	475,977	475,977	525,748	49,771
Miscellaneous	26,510	26,510	52,664	26,154
<i>Total receipts</i>	<u>2,229,248</u>	<u>2,229,248</u>	<u>2,258,001</u>	<u>28,753</u>
Disbursements				
Current:				
Public Safety	2,660,296	2,521,622	2,492,090	29,532
Capital Outlay	348,865	315,567	315,567	0
Debt Service:				
Principal Retirement	200,000	200,000	200,000	0
Interest and Fiscal Charges	5,000	4,132	4,132	0
<i>Total Disbursements</i>	<u>3,214,161</u>	<u>3,041,321</u>	<u>3,011,789</u>	<u>29,532</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(984,913)</u>	<u>(812,073)</u>	<u>(753,788)</u>	<u>58,285</u>
Other Financing Sources (Uses)				
Sale of Notes	200,000	200,000	200,000	0
Sale of Fixed Assets			882	882
Transfers In	670,000	500,000	500,000	0
Advances In			700,000	700,000
Advances Out			(700,000)	(700,000)
<i>Total Other Financing Sources (Uses)</i>	<u>870,000</u>	<u>700,000</u>	<u>700,882</u>	<u>882</u>
<i>Net Change in Fund Balance</i>	(114,913)	(112,073)	(52,906)	59,167
<i>Unencumbered Cash Balance Beginning of Year</i>	108,921	108,921	108,921	0
Prior Year Encumbrances Appropriated	6,896	6,896	6,896	0
<i>Fund Balance End of Year</i>	<u>\$904</u>	<u>\$3,744</u>	<u>\$62,911</u>	<u>\$59,167</u>

See accompanying notes to the basic financial statements

Austintown Township
Mahoning County
Statement of Fund Net Assets - Cash Basis
Proprietary Funds
December 31, 2009

	<u>Business-Type Activity</u>	<u>Governmental Activity</u>
	Westchester Building	Internal Service Funds
Assets		
Equity in Pooled Cash and Cash Equivalents	\$141,423	\$61,871
<i>Total Assets</i>	<u>\$141,423</u>	<u>\$61,871</u>
Net Assets		
Other Purpose		\$61,871
Unrestricted	\$141,423	
Total Net Assets	<u>\$141,423</u>	<u>\$61,871</u>

See accompanying notes to the basic financial statements

Austintown Township
Mahoning County
*Statement of Cash Receipts,
Disbursements and Changes in Fund Net Assets - Cash Basis*
Proprietary Funds
For the Year Ended December 31, 2009

	Business-Type Activity Major Enterprise Fund	Governmental Activity Internal Service
Operating Receipts		
Other Operating Receipts	298,031	686,627
<i>Total Operating Receipts</i>	<u>298,031</u>	<u>686,627</u>
Operating Disbursements		
Salaries		454,176
Employee Fringe Benefits		236,784
Purchased Services	45,960	41,872
Materials and Supplies		10,072
Other	10,084	
<i>Total Operating Disbursements</i>	<u>56,044</u>	<u>742,904</u>
<i>Operating Income (Loss)</i>	<u>241,986</u>	<u>(56,277)</u>
Non-Operating Receipts (Disbursements)		
Intergovernmental		1,842
Miscellaneous Receipts	42	8,291
Capital Outlay	(81,803)	
Principal Payments	(266,209)	
Interest and Fiscal Charges	(12,885)	
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(360,855)</u>	<u>10,134</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	(118,869)	(46,143)
Advances In		220,000
Advances Out		(220,000)
<i>Change in Net Assets</i>	(118,869)	(46,143)
<i>Net Assets Beginning of Year</i>	<u>260,292</u>	<u>108,014</u>
<i>Net Assets End of Year</i>	<u><u>\$141,423</u></u>	<u><u>\$61,871</u></u>

See accompanying notes to the basic financial statements

Austintown Township
Mahoning County
Statement of Fiduciary Net Assets - Cash Basis
Fiduciary Funds
December 31, 2009

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$101,110
<i>Total Assets</i>	<u>\$101,110</u>
Net Assets	
Other Purposes	\$101,110
Total Net Assets	<u>\$101,110</u>

See accompanying notes to the basic financial statements

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Austintown Township
Notes to the Financial Statements
For the Year Ended December 31, 2009

Note 1 – Reporting Entity

The Austintown Township, Mahoning County, Ohio (the Township), is a body politic and corporate established in 1823 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 also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

A. Primary Government

The primary government consists of all funds and departments that are not legally separate from the Township. The Township provides general government services, maintenance of township roads and bridges, Police and Fire protection, Park and Recreation, Zoning and Cemetery maintenance.

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township.

The Township has no component units.

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

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The Township does not apply FASB statements issued after November 30, 1989, to its business-type activities and to its enterprise funds. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Note 2 – Summary of Significant Accounting Policies (continued)

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid “doubling up” receipts and disbursements. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net assets presents the cash and investment balances, of the governmental and business-type activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function or business-type activity is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The proprietary fund statements report all other receipts and disbursements as nonoperating.

B. Fund Accounting

The Township uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. The funds of the Township are divided into three categories, governmental, proprietary and fiduciary.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. Monies are assigned to the various governmental funds according to the purpose for which they may or must be used. The following are the Townships major governmental funds:

General Fund - The General Fund is used to account for all financial resources, except those required to be 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.

Note 2 – Summary of Significant Accounting Policies (continued)

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

Police District – This fund receives property tax money to provide police protection for Township residents.

Fire District - This fund receives property tax money to provide fire protection for Township residents.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds

The Township classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise or internal service.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The Township has no major enterprise funds at this time.

Internal Service Fund - Internal service funds account for services provided by one department of the Township to another on a cost-reimbursement basis. The Township's internal service fund accounts are for Maintenance (Vehicle) and Communication (Fire and Police).

Fiduciary Funds

Fiduciary funds include pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Township's own programs. The Township's agency fund accounts for Unclaimed Funds and Employee's contributions to their flexibly spending accounts.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, and object level for all funds.

Note 2 – Summary of Significant Accounting Policies (continued)

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. Cash and Investments

Township records identify the purchase of specific investments by specific funds.

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

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 negative receipts, respectively.

During 2009, the Township invested in nonnegotiable certificates of deposit, checking accounts and an associated sweep account. The nonnegotiable certificates of deposit are reported at cost.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2009 was \$17,603.

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets represent Capital Projects, Debt Service, Cemetery Maintenance and Other Purposes.

G. Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

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

Note 2 – Summary of Significant Accounting Policies (continued)

I. Interfund Receivables/Payables

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

J. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's cash basis of accounting.

K. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

L. Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor capital outlay expenditure are reported at inception. Lease payments are reported when paid.

M. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for Gasoline Tax. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund is and any major special revenue fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at yearend (budgetary basis) amounted to \$22,118 for the General Fund and \$21,609 for major special revenue funds.

Note 4 – Deposits and Investments

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Austintown Township
Notes to the Financial Statements
For the Year Ended December 31, 2009

Note 4 - Deposits and Investments (continued)

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end, \$1,540,381 of the Township's bank balance of \$2,048,381 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Note 5 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2009 represent the collection of 2008 taxes. Real property taxes received in 2009 were levied after October 1, 2008, on the assessed values as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2009 represent the collection of 2008 taxes. Public utility real and tangible personal property taxes received in 2009 became a lien on December 31, 2008, were levied after October 1, 2008, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2009 (other than public utility property) represent the collection of 2008 taxes. Tangible personal property taxes received in 2009 were levied after October 1, 2008, on the true value as of December 31, 2008.

The full tax rate for all Township operations for the year ended December 31, 2009, was \$18.10 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2009 property tax receipts were based are as follows:

Real Property	
Residential & Agricultural	\$448,289,880.00
Commercial/Industrial/Mineral	157,714,540.00
Tangible Personal Property	1,061,307.00
Public Utility	11,046,610.00
Total Assessed Value	<u>\$618,112,337.00</u>

Note 6 – Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Insurance

For occurrences prior to January 1, 2006, OTARMA retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, and provides up to \$1,750,000 per claim and \$10,000,000 in aggregate per year.

For occurrences on or after January 1, 2006, OTARMA retains casualty risk up to \$350,000 per claim, including loss adjustment expenses. OTARMA pays a percentage of its contribution to APEEP. APEEP reinsures claim exceeding \$350,000, and provides up to \$2,650,000 per claim and \$10,000,000 in aggregate per year.

If losses exhaust OTARMA's retained earnings, APEEP covers OTARMA losses up to \$5,000,000 per year, subject to an aggregate of \$10,000,000. Townships can elect additional coverage, from \$3,000,000 to \$13,000,000, General Reinsurance Corporation.

Property Insurance

Travelers reinsure specific losses exceeding \$250,000, and provides up to \$600,000,000 per occurrence. APEEP reinsures members for a specific loss exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provide aggregate stop-loss coverage based upon the combined OTARMA members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600,000,000 per occurrence limit.

The aforementioned casualty and property reinsurance agreements do not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective OTARMA member.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Financial Position

OTARMA's financial statements (audited by other accountants) conform to generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2008.

	<u>2008</u>
Assets	\$40,737,740
Liabilities	<u>(\$12,981,818)</u>
Retained earnings	<u>\$27,755,922</u>

Note 6 – Risk Management (continued)

The Casualty Coverage retained earnings noted above include approximately \$10.9 million of estimated incurred claims that will be paid subsequent to December 31, 2008. These amounts will be billed and collected from members in the future when the related claims are due for payment. Because OTARMA is a public entity risk pool that shares risk management among its members, a specific liability related to the Township can not be reasonably estimated.

After completing one year of membership, members may withdraw on each anniversary date they joined OTARMA. They must provide written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to withdrawal. Withdrawing members have no other future obligation to the pool.

Based on discussions with OTARMA the expected rates charged by OTARMA to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>Year</u>	<u>Contribution</u>
2009	\$50,380.00
2008	55,920.00
2007	59,733.00

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they provide written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Note 7 – Defined Benefit Pension Plan

A. Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administer three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provide retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

Note 7 – Defined Benefit Pension Plan (continued)

For the year ended December 31, 2009, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 10.00 percent of their annual covered salaries. Members participating in the traditional plan that were in law enforcement contributed 10.10 percent of their annual covered salary. The Township's contribution rate for pension benefits for 2009 was 14.00 percent, except for those plan members in law enforcement or public safety. For those classifications, the Township's pension contributions were 17.63 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008, and 2007 were \$1,138,344, \$1,069,194, and \$993,496 respectively. The full amount has been contributed for 2009, 2008 and 2007. Contributions to the member-directed plan for 2009 were \$698,381 made by the Township and \$439,963 made by the plan members.

B. Ohio Police and Fire Pension Fund

The Township contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.00 percent of their annual covered salary to fund pension obligations while the Township is required to contribute 19.50 percent for police and 24.00 percent for firefighters. Contributions are authorized by State statute. The Township's contributions to the Fund for police and firefighters were \$261,183 for the year ended December 31, 2009; \$263,550 for the year ended December 31, 2008 and \$243,362 for the year ended December 31, 2007. The full amount has been contributed for 2009, 2008 and 2007.

Note 8 - Post employment Benefits

A. Ohio Public Employees Retirement System

Plan Description - OPERS maintains a cost-sharing multiple-employer defined benefit postemployment healthcare plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment healthcare. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for postemployment healthcare coverage, age and service retirees under the traditional and combined plans must have ten years or more of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised code permits, but does not require, OPERS to provide healthcare benefits to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are provided separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222 – 7377.

Funding Policy – The postemployment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employer's fund

Note 8 - Post employment Benefits (continued)

post employment healthcare through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postemployment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2009, local government employers contributed 14.00 percent of covered payroll (17.63 percent for public safety and law enforcement). Each year, The OPERS retirement board determines the portion of the employer contribution that will be set aside for funding postemployment healthcare benefits. The amount of employer contributions allocated to fund postemployment healthcare was 7.00 percent for January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009.

The retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits by the retiree or retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and selected coverage.

The Township's contributions allocated to fund postemployment healthcare benefits for the years ended December 31, 2009, 2008 and 2007 were \$42,416, \$45,724, and \$26,017 respectively; 100 percent has been contributed for 2009, 2008 and 2007.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2007. January 1, 2008, and January 1, 2009, which allowed additional funds to be allocated to the healthcare plan.

B. Ohio Police and Fire Pension Fund

Plan Description – The Township contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium reimbursement and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit or is a spouse or eligible dependent child of such person.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority of the OP&F Board of Trustees to provide healthcare coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5146.

Funding Policy – OP&F's postemployment healthcare plan was established and is administered as an Internal Revenue Code 401 (h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan, members, currently, 24.00 percent of covered payroll for fire employers.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan, to the 401 (h) account as contributions for retiree healthcare benefits. For the year ended December 31, 2009, the employer contribution allocated to the healthcare plan was 6.75

Austintown Township
Notes to the Financial Statements
For the Year Ended December 31, 2009

Note 8 - Post employment Benefits (continued)

percent of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401 (h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the OPEB Plan.

The Township's contributions to OP&F allocated to fund post-employment healthcare benefits for firefighters were \$17,630 for the year ended December 31, 2009; \$28,936 for the year ended December 31, 2008 and \$26,719 for the year ended December 31, 2007. The full amount has been contributed for 2009, 2008, and 2007.

Note 9 - Notes Payable

A summary of the note transactions for the year ended December 31, 2009, follows:

	Interest Rate	Balance December 31, 2008	Additions	Reductions	Balance December 31, 2009
<u>Governmental Activities</u>					
2006 Issue	0.000%	\$3,512		\$1,561	\$1,951
2009 Issue	4.250%		\$600,000	\$600,000	\$0
<u>Business Activities</u>					
2006 Issue	7.250%	\$266,208		\$266,208	\$0

Notes were issues to allow the Township to meet cash flow shortages caused by the timing of property tax collection, and the purchase of a tractor for the park.

Note 10 – Interfund Transfers

During 2009 the following transfers were made:

Transfers from the General Fund to:	
Major Governmental Fund	\$1,300,661
Other Governmental Funds	165,808
Agency Fund	1,818
Total Transfers from the General Fund	<u>\$1,468,287</u>

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**AUSTINTOWN TOWNSHIP
MAHONING COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2009**

FEDERAL GRANTOR Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF HOMELAND SECURITY			
SAFER	EMW-2005-FF-02117	97.083	8,410
Assistance to Firefighters Grant	EMW-2008-FV-03099	97.044	\$247,500
Total U.S. Department of Homeland Security			<u>255,910</u>
U.S. DEPARTMENT OF JUSTICE Passed Through Ohio Department of Public Safety -Office of Criminal Justice Services			
Edward J Byrne Grant			
Byrne Memorial JAG	2008-JG-A01-6442	16.738	36,900
Byrne Congressional Award	2008-DD-BX-4265	16.738	44,257
ARRA - Byrne Memeorial JAG	2009-RA-A02-2321	16.803	69,833
Total Edward J Byrne Grant			<u>150,990</u>
Federal Equitable Sharing			
Federal Equitable Sharing - MVLETF		No CFDA	88,692
Federal Equitable Sharing - Austintown Police		No CFDA	27,816
Total Federal Equitable Sharing			<u>116,508</u>
Total U.S. Department of Justice			<u>267,498</u>
Executive Office of the President - Office of National Drug Control Policy Direct Program:			
High Intensity Drug Trafficking Area – Ohio		No CFDA	<u>65,691</u>
U.S. DEPARTMENT OF TRANSPORTATION Passed Through Ohio Department of Transportation			
Highway Planning and Construction		20.205	<u>144,028</u>
Total			<u><u>\$733,127</u></u>

The accompanying notes are an integral part of this schedule.

**AUSTINTOWN TOWNSHIP
MAHONING COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
DECEMBER 31, 2009**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports Austintown Township's federal award programs' receipts and disbursements. The schedule has been prepared on the cash basis of accounting.

NOTE B - MATCHING REQUIREMENTS

Certain Federal programs require the Township to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Township has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



Mary Taylor, CPA

Auditor of State

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

Austintown Township
Mahoning County
82 Ohltown Rd
Austintown, Ohio 44515

To the Township Trustees:

We have audited the financial statements of the governmental activities, the business-type activities, the major funds, and the aggregate remaining fund information of the Austintown Township, Mahoning County, (the Township) as of and for the year ended December 31, 2009, which collectively comprise the Township's basic financial statements and have issued our report thereon dated September 9, 2010. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated September 9, 2010.

We intend this report solely for the information and use of the audit committee, management, Township Trustees, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

September 9, 2010



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' 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 Rd
Austintown, Ohio 44515

To the Board of Education:

Compliance

We have audited the compliance of the 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, 2009. The summary of auditor's results section of the accompanying schedule of findings identifies the Township's major federal programs. The Township's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to the major federal programs. Our responsibility is to express an opinion on the Township's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 the 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 Austintown Township's compliance with those requirements.

In our opinion Austintown Township complied, in all material respects, with the requirements referred to above applying to its' major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

The Township's management 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 Austintown Township's internal control over compliance with requirements that could have a direct and material effect on the major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over compliance.

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www.auditor.state.oh.us

A *deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the Township's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We intend this report solely for the information and use of management, Township Trustees, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

September 9, 2010

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

**AUSTINTOWN TOWNSHIP
MAHONING COUNTY
DECEMBER 31, 2009**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies not considered material weaknesses conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs, Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs:	Firefighters Asst Grant/97.044 Byrne Memorial Grant/16.738 ARRA Byrne Grant/16.803
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

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

Finding Number	
-----------------------	--

None

3. FINDINGS FOR FEDERAL AWARDS

Finding Number	
-----------------------	--

None



Mary Taylor, CPA
Auditor of State

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
JANUARY 11, 2011**