



Dave Yost • Auditor of State



**SOUTHINGTON TOWNSHIP  
TRUMBULL COUNTY**

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# Dave Yost • Auditor of State

Southington Township  
Trumbull County  
3419 State Route 534  
Southington, Ohio 44470

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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**Dave Yost**  
Auditor of State

August 8, 2011

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Southington Township  
Trumbull County  
3419 State Route 534  
Southington, Ohio 444703

To the Board of Trustees:

We have audited the accompanying financial statements of Southington Township, Trumbull County, (the Township) as of and for the years ended December 31, 2010 and 2009. 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 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*. Those standards require that we plan and perform the audit to reasonably assure 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.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Township's larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require townships to reformat their statements. The Township has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2010 and 2009, or its changes in financial position for the years then ended.

Also, 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 Southington Township, Trumbull County, Ohio, as of December 31, 2010 and 2009, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 8, 2011, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "Y" and "O".

**Dave Yost**  
Auditor of State

August 8, 2011



SOUTHINGTON TOWNSHIP  
TRUMBULL COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Permanent	
<b>Cash Receipts:</b>						
Property and Other Local Taxes	\$36,741	\$159,886	\$57,624			\$254,251
Charges for Services		43,343				43,343
Licenses, Permits, and Fees	1,218	3,575				4,793
Intergovernmental	91,200	123,490		99,980		314,670
Earnings on Investments	1,085	44			60	1,189
Miscellaneous	54,657	2,795				57,452
<b>Total Cash Receipts</b>	<b>184,901</b>	<b>333,133</b>	<b>57,624</b>	<b>99,980</b>	<b>60</b>	<b>675,698</b>
<b>Cash Disbursements:</b>						
Current:						
General Government	160,819					160,819
Public Safety		206,938				206,938
Public Works	1,999	235,156				237,155
Health	9,302	11,731				21,033
Human Services	478					478
Capital Outlay	23,191	61,048		99,980		184,219
Debt Service:						
Redemption of Principal			48,045			48,045
Interest and Other Fiscal Charges			9,579			9,579
<b>Total Cash Disbursements</b>	<b>195,789</b>	<b>514,873</b>	<b>57,624</b>	<b>99,980</b>	<b>0</b>	<b>868,266</b>
Total Receipts Over/(Under) Disbursements	(10,888)	(181,740)	0	0	60	(192,568)
<b>Other Financing Receipts / (Disbursements):</b>						
Proceeds of Notes		69,272				69,272
Transfers-In		3,000				3,000
Transfers-Out	(3,000)					(3,000)
Other Financing Sources	86	1,550				1,636
<b>Total Other Financing Receipts / (Disbursements)</b>	<b>(2,914)</b>	<b>73,822</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>70,908</b>
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	(13,802)	(107,918)	0	0	60	(121,660)
Fund Cash Balances, January 1	114,190	409,604	0	224	3,164	527,182
<b>Fund Cash Balances, December 31</b>	<b>\$100,388</b>	<b>\$301,686</b>	<b>\$0</b>	<b>\$224</b>	<b>\$3,224</b>	<b>\$405,522</b>
Reserve for Encumbrances, December 31	\$19,153	\$2,885	\$0	\$0	\$0	\$22,038

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

SOUTHINGTON TOWNSHIP  
TRUMBULL COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Permanent	
<b>Cash Receipts:</b>						
Property and Other Local Taxes	\$34,106	\$134,847	\$51,856			\$220,809
Charges for Services		45,362				45,362
Licenses, Permits, and Fees	4,003	6,250				10,253
Intergovernmental	76,175	129,277		48,639		254,091
Earnings on Investments	759	374			60	1,193
Miscellaneous	54,367	1,568				55,935
<b>Total Cash Receipts</b>	<b>169,410</b>	<b>317,678</b>	<b>51,856</b>	<b>48,639</b>	<b>60</b>	<b>587,643</b>
<b>Cash Disbursements:</b>						
Current:						
General Government	172,922					172,922
Public Safety	0	117,190				117,190
Public Works	2,059	210,354				212,413
Health	8,143	13,541				21,684
Human Services	500					500
Capital Outlay	2,120			211,401		213,521
Debt Service:						
Redemption of Principal			46,935			46,935
Interest and Other Fiscal Charges			10,688			10,688
<b>Total Cash Disbursements</b>	<b>185,744</b>	<b>341,085</b>	<b>57,623</b>	<b>211,401</b>	<b>0</b>	<b>795,853</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>(16,334)</b>	<b>(23,407)</b>	<b>(5,767)</b>	<b>(162,762)</b>	<b>60</b>	<b>(208,210)</b>
<b>Other Financing Receipts / (Disbursements):</b>						
Proceeds of Notes				162,762		162,762
Transfers-In		5,000	4,638			9,638
Transfers-Out	(9,638)					(9,638)
Other Financing Sources		2,650				2,650
<b>Total Other Financing Receipts / (Disbursements)</b>	<b>(9,638)</b>	<b>7,650</b>	<b>4,638</b>	<b>162,762</b>	<b>0</b>	<b>165,412</b>
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	(25,972)	(15,757)	(1,129)	0	60	(42,798)
Fund Cash Balances, January 1	140,162	425,361	1,129	224	3,104	569,980
<b>Fund Cash Balances, December 31</b>	<b>\$114,190</b>	<b>\$409,604</b>	<b>\$0</b>	<b>\$224</b>	<b>\$3,164</b>	<b>\$527,182</b>
Reserve for Encumbrances, December 31	\$18,500	\$54,069	\$0	\$0	\$0	\$72,569

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

**SOUTHINGTON TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31 2010 AND 2009**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

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

The Township participates in the Ohio Township Association Risk Management Authority (OTARMA), a public entity risk pool. Note 7 to the financial statements provides additional information for this entity.

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

The Township is associated with the Southington Water District which is defined as a related organization. This organization is discussed in Note 8 to the basic financial statements.

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Deposits and Investments**

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Township values certificates of deposit at cost.

**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 reports all financial resources except those required to be accounted for in another fund.

**SOUTHINGTON TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31 2010 AND 2009**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**2. Special Revenue Funds**

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

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

Gasoline Tax Fund - This fund receives gasoline tax money to pay for constructing, maintaining, and repairing Township roads.

**3. Debt Service Funds**

These funds account for resources the Township accumulates to pay bond and note debt. The Township had the following significant Debt Service Funds

Debt Retirement Fund – this fund receives property tax money which is used to pay any debt incurred by the Township.

**4. Capital Project Funds**

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Township's capital project fund is restricted to capital expenditures

**5. Permanent Funds**

This fund account for assets held under a trust agreement that are legally restricted to the extent that only earnings, not principal, are available to support the Township's programs. The Township's permanent fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the general maintenance and upkeep of the Township's cemetery.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund 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.

**2. Estimated Resources**

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

**SOUTHINGTON TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31 2010 AND 2009**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**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 2010 and 2009 budgetary activity appears in Note 3.

**F. Property, Plant, and Equipment**

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS**

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

	2010	2009
Demand deposits	\$56,604	\$479,455
MoneyMarketSavings	347,418	46,227
Total deposits	404,022	525,682
U.S. Treasury Notes	1,500	1,500
Total deposits and investments	\$405,522	\$527,182

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2010 and 2009 follows:

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$131,586	\$184,987	\$53,401
Special Revenue	355,562	406,955	51,393
Debt Service	57,624	57,624	0
Capital Projects	99,080	99,980	900
Permanent	60	60	0
Total	\$643,912	\$749,606	\$105,694

**SOUTHINGTON TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31 2010 AND 2009**

**3. BUDGETARY ACTIVITY – (Continued)**

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$245,776	\$217,942	\$27,834
Special Revenue	768,163	517,758	250,405
Debt Service	57,624	57,624	0
Capital Projects	100,204	99,980	224
Permanent	3,224	0	3,224
Total	<u>\$1,174,991</u>	<u>\$893,304</u>	<u>\$281,687</u>

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$113,090	\$169,410	\$56,320
Special Revenue	299,769	325,328	25,559
Debt Service	56,495	56,494	(1)
Capital Projects	211,401	211,401	0
Permanent	0	60	60
Total	<u>\$680,755</u>	<u>\$762,693</u>	<u>\$81,938</u>

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$299,381	\$213,882	\$85,499
Special Revenue	758,677	395,154	363,523
Debt Service	57,624	57,623	1
Capital Projects	211,625	211,401	224
Permanent	3,104	0	3,104
Total	<u>\$1,330,411</u>	<u>\$878,060</u>	<u>\$452,351</u>

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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.

**SOUTHINGTON TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31 2010 AND 2009**

**5. DEBT**

Debt outstanding at December 31, 2010 was as follows:

	Principal	Interest Rate
General Obligation Note - Fire Truck	\$111,341	4.688%
General Obligation Note - Town Hall Basement	116,252	4.986%
Total	\$227,593	

The Township entered a fire truck equipment lease/purchase agreement with LaSalle Bank National Association. Property taxes have been pledged to pay the lease. Title to the fire truck secures the lease. In addition, the general Obligation notes were issued to finance the remodeling of the Town Hall basement. The Township's taxing authority collateralized the notes.

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

	Note Fire Truck	Note Town Hall Basement
Year ending December 31:		
2011	\$31,172	\$29,132
2012	31,172	27,969
2013	31,172	26,781
2014	31,172	25,605
2015	24,429	
Total	\$124,688	\$133,916

**6. RETIREMENT SYSTEMS**

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2010 and 2009, OPERS members contributed 10.0%, respectively, of their gross salaries and the Township contributed an amount equaling 14%, respectively, of participants' gross salaries. The Township has paid all contributions required through December 31, 2010.

**7. RISK MANAGEMENT**

The Township is exposed to various risks of property and casualty losses, and injuries to employees. 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. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**SOUTHINGTON TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31 2010 AND 2009**

**7. RISK MANAGEMENT – (Continued)**

Casualty and Property Coverage

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2009, OTARMA retained \$350,000 for casualty claims and \$150,000 for property claims.

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

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2009:

	<u>2009</u>	<u>2008</u>
Assets	\$38,982,088	\$40,737,740
Liabilities	(12,880,766)	(12,981,818)
Net Assets	<u>\$26,101,322</u>	<u>\$27,755,922</u>

At December 31, 2009 and 2008, respectively, the liabilities above include approximately \$12.0 and \$12.1 million of estimated incurred claims payable. The assets above also include approximately \$11.5 and \$10.9 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2009 and 2008, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2009, the Township's share of these unpaid claims collectible in future years is approximately \$9,564

Based on discussions with OTARMA, the expected rates OTARMA charges 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>Contributions to OTARMA</u>	
<u>2010</u>	<u>2009</u>
8,938	6,929

After one year of membership, a member may withdraw on the anniversary of the date of joining OTARMA, if the member notifies OTARMA in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's 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.



**SOUTHINGTON TOWNSHIP  
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31 2010 AND 2009**

**8. RELATED ORGANIZATION**

The Southington Water District is a distinct political subdivision of the State of Ohio created under Chapter 6119 of the Ohio Revised Code. The District is governed by a Board of Trustees initially appointed by the Township. However, the District's Board of Trustees possesses its own right to operate the District as it sees fit, without any authority of the Township. Beginning in early 2009, the Township established a \$1,000 per month loan to the District for start-up costs. In addition, the Township also loaned the District \$7,500 in 2010 for a study that was required by the USDA. In total, the Township is owed \$29,500 by the District as of December 31, 2010.

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# Dave Yost • Auditor of State

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

Southington Township  
Trumbull County  
3419 State Route 534  
Southington, Ohio 44470

To the Board of Education:

We have audited the financial statements of Southington Township, Trumbull County, (the Township) as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated August 8, 2011, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted the Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to audit Ohio governments. 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 the purpose of expressing our opinion(s) on the financial statements, but not for the purpose of opining 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.

Voinovich Government Center / 242 Federal Plaza W. / Suite 302 / Youngstown, OH 44503-1293

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[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

### **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 August 8, 2011.

We intend this report solely for the information and use of the management and Township Board of Trustees and others within the Government. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

August 8, 2011



# Dave Yost • Auditor of State

**SOUTHINGTON TOWNSHIP**

**TRUMBULL 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  
SEPTEMBER 20, 2011**