



Dave Yost • Auditor of State

**BAZETTA TOWNSHIP
TRUMBULL COUNTY**

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Dave Yost • Auditor of State

Bazetta Township
Trumbull County
3372 State Route 5 NE
Cortland, Ohio 44410

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

May 17, 2011

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Bazetta Township
Trumbull County
3372 State Route 5 NE
Cortland, Ohio 44410

To the Board of Trustees:

We have audited the accompanying financial statements of Bazetta 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. We believe our audit provides a reasonable basis for our opinion.

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.

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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 Bazetta Township, Trumbull County, 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 May 17, 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 "D" and "Y".

Dave Yost
Auditor of State

May 17, 2011

**BAZETTA 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	
Cash Receipts:					
Property and Other Local Taxes	\$221,087	\$1,918,127	\$70,918	\$0	\$2,210,132
Charges for Services		190,408			190,408
Licenses, Permits, and Fees	91	41,173			41,264
Fines and Forfeitures		11,385			11,385
Intergovernmental	145,091	361,891			506,982
Special Assessments	2,540	2,933			5,473
Earnings on Investments	556	178			734
Miscellaneous	92,466	82,212			174,678
Total Cash Receipts	461,831	2,608,307	70,918	0	3,141,056
Cash Disbursements:					
Current:					
General Government	303,269	33,771			337,040
Public Safety		1,908,944			1,908,944
Public Works	6,378	86,331		1,633	94,342
Health	22,344	11,553			33,897
Contract Services	97,215	44,590			141,805
Conservation - Recreation	1,669	0			1,669
Other	900	0			900
Capital Outlay	26,475	327,381			353,856
Debt Service:					
Redemption of Principal		178,541	60,752		239,293
Interest and Other Fiscal Charges		3,369	10,166		13,535
Total Cash Disbursements	458,250	2,594,480	70,918	1,633	3,125,281
Total Receipts Over/(Under) Disbursements	3,581	13,827	0	(1,633)	15,775
Other Financing Receipts / (Disbursements):					
Transfers-In		74,535			74,535
Transfers-Out	(74,535)				(74,535)
Advances-In	40,000				40,000
Advances-Out		(40,000)			(40,000)
Total Other Financing Receipts / (Disbursements)	(34,535)	34,535	0	0	0
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	(30,954)	48,362	0	(1,633)	15,775
Fund Cash Balances, January 1	152,251	574,995	16	14,172	741,434
Fund Cash Balances, December 31	\$121,297	\$623,357	\$16	\$12,539	\$757,209

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

BAZETTA TOWNSHIP
TRUMBULL COUNTY

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

	<u>Fiduciary Fund Types</u>
	<u>Private Purpose Trust</u>
Operating Cash Disbursements:	
Supplies and Materials	<u>295</u>
Total Operating Cash Disbursements	<u>295</u>
Operating Income/(Loss)	<u>(295)</u>
Non-Operating Cash Receipts:	
Earnings on Investments	<u>527</u>
Total Non-Operating Cash Receipts	<u>527</u>
Net Receipts Over/(Under) Disbursements	232
Fund Cash Balances, January 1	<u>3,543</u>
Fund Cash Balances, December 31	<u><u>\$3,775</u></u>

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

**BAZETTA 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	
Cash Receipts:					
Property and Other Local Taxes	\$214,417	\$1,867,709	\$108,852	\$0	\$2,190,978
Charges for Services		193,641			193,641
Licenses, Permits, and Fees	343	28,770			29,113
Fines and Forfeitures		12,023			12,023
Intergovernmental	204,155	260,668		72,535	537,358
Special Assessments	315	2,891			3,206
Earnings on Investments	1,679				1,679
Miscellaneous	59,256	30,890			90,146
Total Cash Receipts	480,165	2,396,592	108,852	72,535	3,058,144
Cash Disbursements:					
Current:					
General Government	302,021	25,644			327,665
Public Safety	18,101	1,991,389			2,009,490
Public Works	14,400	96,851		103,085	214,336
Health	22,630	8,596			31,226
Contract Services	33,739	53,970			87,709
Conservation - Recreation	1,482				1,482
Other	906				906
Capital Outlay	14,081	29,579			43,660
Debt Service:					
Redemption of Principal		141,586	91,902		233,488
Interest and Other Fiscal Charges		446	16,950		17,396
Total Cash Disbursements	407,360	2,348,061	108,852	103,085	2,967,358
Total Receipts Over/(Under) Disbursements	72,805	48,531	0	(30,550)	90,786
Other Financing Receipts / (Disbursements):					
Transfers-In		37,285		22,438	59,723
Transfers-Out	(59,723)				(59,723)
Total Other Financing Receipts / (Disbursements)	(59,723)	37,285	0	22,438	0
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	13,082	85,816	0	(8,112)	90,786
Fund Cash Balances, January 1	139,169	489,179	16	22,284	650,648
Fund Cash Balances, December 31	\$152,251	\$574,995	\$16	\$14,172	\$741,434
Reserve for Encumbrances, December 31	\$1,762	\$37,745	\$0	\$0	\$39,507

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

**BAZETTA TOWNSHIP
TRUMBULL COUNTY**

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

	Fiduciary Fund Types
	Private Purpose Trust
Operating Cash Disbursements:	
Supplies and Materials	120
Total Operating Cash Disbursements	120
Operating Income/(Loss)	(120)
Non-Operating Cash Receipts:	
Earnings on Investments	130
Total Non-Operating Cash Receipts	130
Net Receipts Over/(Under) Disbursements	10
Fund Cash Balances, January 1	3,533
Fund Cash Balances, December 31	\$3,543

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

**BAZETTA 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 Bazetta Township, Trumbull County, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services .

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

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 and repurchase agreements at cost. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

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.

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.

**BAZETTA TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

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

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

Fire District Fund – This fund receives property tax money to provide fire protection to the residents of the Township.

3. Debt Service Funds

These funds account for resources the Township accumulates to pay bond and note debt.

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 will account for OPWC Issue I funding for the Howland / Wilson Road Improvement Project in 2009.

5. Fiduciary Fund

Fiduciary funds include private purpose trust funds and agency funds. Trust funds 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 private purpose trust fund accounts for trust agreements under which income from the trust may only be used to maintain the cemetery plots of certain individuals. The Township has no agency funds.

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 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 unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

**BAZETTA TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

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 canceled, and reappropriated in the subsequent year.

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	\$619,098	\$603,680
Certificates of deposit	141,869	21,775
Total deposits	760,967	625,455
STAR Ohio	17	119,522
Total investments	17	119,522
Total deposits and investments	\$760,984	\$744,977

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

Investments: Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**BAZETTA TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

3. BUDGETARY ACTIVITY

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

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$502,274	\$461,831	(\$40,443)
Special Revenue	2,682,841	2,682,841	0
Debt Service	70,918	70,918	0
Capital Projects	161,981	0	(161,981)
Private Purpose Trust	84	527	443
Total	\$3,418,098	\$3,216,117	(\$201,981)

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$585,385	\$532,785	\$52,600
Special Revenue	2,867,595	2,549,480	318,115
Debt Service	70,918	70,918	0
Capital Projects	176,153	1,633	174,520
Private Purpose Trust	525	295	230
Total	\$3,700,576	\$3,155,111	\$545,465

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$480,275	\$480,165	(\$110)
Special Revenue	2,435,579	2,433,817	(1,762)
Debt Service	108,852	108,852	0
Capital Projects	94,973	94,973	0
Private Purpose Trust	20	130	110
Total	\$3,119,699	\$3,117,937	(\$1,762)

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$536,732	\$468,845	\$67,887
Special Revenue	2,776,057	2,385,806	390,251
Debt Service	108,867	108,852	15
Capital Projects	117,257	103,085	14,172
Private Purpose Trust	3,553	120	3,433
Total	\$3,542,466	\$3,066,708	\$475,758

**BAZETTA TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

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.

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.

5. DEBT

Debt outstanding at December 31, 2010 was as follows:

	Principal	Interest Rate
OPWC Loan	\$73,705	0%
Total	\$73,705	

In 2008, the Township received a loan from OPWC for the Durst Clagg Road Improvement Project. The Township's taxing authority collateralized the note.

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

Year ending December 31:	OPWC Loan
2011	\$6,142
2012	6,142
2013	6,142
2014	6,142
2015	6,142
2016-2020	49,136
Total	\$79,846

6. RETIREMENT SYSTEMS

The Township's certified full-time Fire Fighters belong to the Police and Fire Pension Fund (OP&F). All other Township employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

**BAZETTA TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

6. RETIREMENT SYSTEMS – (Continued)

The Ohio Revised Code also prescribes contribution rates. For 2010 and 2009, full-time fire fighters contributed 10% of their wages to OP&F and the Township contributed an amount equal to 24%. For 2010 and 2009, police officers contributed 11.1% and 10.1%, respectively, of their wages to OPERS and the Township contributed an amount equal to 17.63% for both years. For 2010 and 2009, all other Township OPERS members contributed 10%, of their gross salaries and the Township contributed an amount equaling 14%, of participants' gross salaries. The Township has paid all contributions required through December 31, 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.

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 and 2008 (the latest information available):

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

**BAZETTA TOWNSHIP
TRUMBULL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

7. RISK MANAGEMENT – (Continued)

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 \$61,881.

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>
\$53,492	\$49,371

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.

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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*

Bazetta Township
Trumbull County
3372 State Route 5 NE
Cortland, Ohio 44410

To the Township Board of Trustees:

We have audited the financial statements of Bazetta Township, Trumbull County, (the Township) as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated May 17, 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 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 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.

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*.

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www.auditor.state.oh.us

We did note certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated May 17, 2011.

We intend this report solely for the information and use of management, 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 initial "D".

Dave Yost
Auditor of State

May 17, 2011



Dave Yost • Auditor of State

BAZETTA 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
JUNE 9, 2011**