

***MONTVILLE TOWNSHIP***

**MEDINA COUNTY, OHIO**

**AUDIT REPORT**

**For the Years Ended December 31, 2014 and 2013**







# Dave Yost • Auditor of State

Board of Trustees  
Montville Township  
6665 Wadsworth Rd.  
Medina, OH 44256

We have reviewed the *Independent Auditor's Report* of Montville Township, Medina County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2013 to December 31, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Montville Township is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost  
Auditor of State

September 9, 2015

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**MONTVILLE TOWNSHIP  
MEDINA COUNTY, OHIO  
For the Years Ended December 31, 2014 and 2013**

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**INDEPENDENT AUDITOR'S REPORT**

Montville Township  
Medina County  
6665 Wadsworth Road  
Medina, Ohio 44256

To the Board of Trustees:

***Report on the Financial Statements***

We have audited the accompanying financial statements and related notes of Montville Township, Medina County, (the Township) as of and for the years ended December 31, 2014 and 2013.

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

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D); this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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

As described in Note 1 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy requirements.

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

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

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2014 and 2013, or changes in financial position thereof for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Montville Township, Medina County as of December 31, 2014 and 2013, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2015, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



***Charles E. Harris & Associates, Inc.***  
June 1, 2015

**MONTVILLE TOWNSHIP  
MEDINA COUNTY, OHIO**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR YEAR ENDED DECEMBER 31, 2014**

	General	Special Revenue	Total (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 614,026	\$ 2,318,548	\$ 2,932,574
Licenses, Permits and Fees	45,650	-	45,650
Fines and Forfeitures	30,451	-	30,451
Intergovernmental	380,735	551,355	932,090
Earnings on Investments	2,294	-	2,294
Miscellaneous	116,662	204,862	321,524
<i>Total Cash Receipts</i>	1,189,818	3,074,765	4,264,583
<b>Cash Disbursements</b>			
Current:			
General Government	767,683	-	767,683
Public Safety	-	2,253,084	2,253,084
Public Works	-	616,839	616,839
Health	12,653	-	12,653
Recreation	34,902	-	34,902
Capital Outlay	434,038	77,742	511,780
Debt Service:			
Principal Retirement	25,000	73,000	98,000
Interest and Fiscal Charges	-	59,811	59,811
<i>Total Cash Disbursements</i>	1,274,276	3,080,476	4,354,752
<i>Excess of Receipts Over/(Under) Disbursements</i>	(84,458)	(5,711)	(90,169)
<b>Other Financing Receipts (Disbursements)</b>			
Proceeds of Loan	82,957	-	82,957
Transfers In	-	200,000	200,000
Transfers Out	(200,000)	-	(200,000)
<i>Total Other Financing Receipts (Disbursements)</i>	(117,043)	200,000	82,957
<i>Net Change in Fund Cash Balance</i>	(201,501)	194,289	(7,212)
<i>Fund Balance January 1, 2014</i>	1,504,288	1,523,499	3,027,787
<b>Fund Cash Balance December 31, 2014</b>			
Restricted	-	1,717,788	1,717,788
Assigned	938	-	938
Unassigned	1,301,849	-	1,301,849
<i>Fund Balance December 31, 2014</i>	<u>\$ 1,302,787</u>	<u>\$ 1,717,788</u>	<u>\$ 3,020,575</u>

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

**MONTVILLE TOWNSHIP  
MEDINA COUNTY, OHIO**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR YEAR ENDED DECEMBER 31, 2013**

	General	Special Revenue	Total (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 616,220	\$ 2,303,790	\$ 2,920,010
Licenses, Permits and Fees	35,176	-	35,176
Fines and Forfeitures	35,558	11,200	46,758
Intergovernmental	298,022	528,394	826,416
Earnings on Investments	1,783	-	1,783
Miscellaneous	50,071	139,011	189,082
<i>Total Cash Receipts</i>	1,036,830	2,982,395	4,019,225
<b>Cash Disbursements</b>			
Current:			
General Government	535,057	-	535,057
Public Safety	-	2,021,135	2,021,135
Public Works	-	569,250	569,250
Health	34,006	-	34,006
Recreation	26,009	-	26,009
Capital Outlay	939,307	769,461	1,708,768
Debt Service:			
Principal Retirement	-	237,000	237,000
Interest and Fiscal Charges	595	84,914	85,509
<i>Total Cash Disbursements</i>	1,534,974	3,681,760	5,216,734
<i>Excess of Receipts Over/(Under) Disbursements</i>	(498,144)	(699,365)	(1,197,509)
<b>Other Financing Receipts (Disbursements)</b>			
Proceeds of Loan	417,043	-	417,043
Other Debt Proceeds	-	196,894	196,894
Sale of Capital Assets	-	4,435	4,435
Transfers In	-	200,000	200,000
Transfers Out	(200,000)	-	(200,000)
<i>Total Other Financing Receipts (Disbursements)</i>	217,043	401,329	618,372
<i>Net Change in Fund Cash Balance</i>	(281,101)	(298,036)	(579,137)
<i>Fund Balance January 1, 2013</i>	1,785,389	1,821,535	3,606,924
<b>Fund Cash Balance December 31, 2013</b>			
Restricted	-	1,523,499	1,523,499
Assigned	958	-	958
Unassigned	1,503,330	-	1,503,330
<i>Fund Balance December 31, 2013</i>	<u>\$ 1,504,288</u>	<u>\$ 1,523,499</u>	<u>\$ 3,027,787</u>

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

**MONTVILLE TOWNSHIP  
MEDINA COUNTY, OHIO**

**Notes to the Financial Statements  
For the Years Ended December 31, 2014 and 2013**

**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 Montville Township, Medina 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 and police protection. The Township contracts with the City of Medina for fire protection. Also, the Township contracts with the Medina Hospital - Life Support Team for 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 permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

**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.

**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 accounts for and reports all financial resources not accounted for and reported in another fund.
2. **Special Revenue Funds:** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

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

*Police Fund* – This fund receives property taxes, fines and intergovernmental receipts to provide police services to the Township residents.

**MONTVILLE TOWNSHIP  
MEDINA COUNTY, OHIO**

**Notes to the Financial Statements  
For the Years Ended December 31, 2014 and 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)**

**D. FUND ACCOUNTING - (continued)**

**2. Special Revenue Funds – (continued)**

*Fire Fund* – This fund receives property taxes and intergovernmental receipts to provide fire protection services.

*Ambulance Fund* – This fund receives property taxes and intergovernmental receipts to provide emergency rescue services.

**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. 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 approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2014 and 2013 budgetary activity appears in Note 3.

**F. FUND BALANCE**

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

**1. Nonspendable**

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

**MONTVILLE TOWNSHIP  
MEDINA COUNTY, OHIO**

**Notes to the Financial Statements  
For the Years Ended December 31, 2014 and 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)**

**F. FUND BALANCE - (continued)**

**2. Restricted**

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

**3. Committed**

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

**4. Assigned**

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

**5. Unassigned**

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

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

**G. 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.

**H. 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.

**MONTVILLE TOWNSHIP  
MEDINA COUNTY, OHIO**

**Notes to the Financial Statements  
For the Years Ended December 31, 2014 and 2013**

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

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

	2014	2013
Demand Deposits	\$ 1,720,575	\$ 1,727,787
Certificates of Deposit	1,300,000	1,300,000
Total Deposits	\$ 3,020,575	\$ 3,027,787

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2014 and 2013 follows:

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,196,683	\$ 1,272,775	\$ 76,092
Special Revenue	3,135,964	3,274,765	138,801

2014 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 2,042,097	\$ 1,475,214	\$ 566,883
Special Revenue	3,827,571	3,085,961	741,610

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,577,706	\$ 1,453,873	\$ (123,833)
Special Revenue	3,237,251	3,383,724	146,473

2013 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 2,006,271	\$ 1,735,932	\$ 270,339
Special Revenue	4,483,434	3,687,322	796,112

**MONTVILLE TOWNSHIP  
MEDINA COUNTY, OHIO**

**Notes to the Financial Statements  
For the Years Ended December 31, 2014 and 2013**

**4. PROPERTY TAXES**

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

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

**5. DEBT**

Debt outstanding at December 31, 2014 is as follows:

	Principal	Interest Rate
USDA Loan	\$ 1,421,001	4%
OPWC Loan	475,000	0%

In 2010, the Township obtained a \$3,531,000 loan from the USDA Rural Development for construction of the safety service center. The loan term was 30 years, but was renegotiated to 10 years in 2013. However, the Township intends to repay the loan in seven years. An amortization schedule is not available.

The Township obtained a \$500,000 Ohio Public Works Commission interest-free loan for improvements to the Cobblestone Park Drive Intersection. The loan will be repaid in semi-annual installments of \$12,500 for the next 20 years. Debt payments will be made using special assessments from property taxes collected over 10 years on two commercial properties that are directly connected to the intersection.

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

Year ending December 31:	OPWC Loan
2015	\$25,000
2016	25,000
2017	25,000
2018	25,000
2019	25,000
2020-2024	125,000
2025-2029	125,000
2030-2034	100,000
Total	\$475,000

**MONTVILLE TOWNSHIP  
MEDINA COUNTY, OHIO**

**Notes to the Financial Statements  
For the Years Ended December 31, 2014 and 2013**

**6. RETIREMENT SYSTEM**

Employees of the Township belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a state operated, cost sharing, multiple employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are prescribed by the Ohio Revised Code. Non-police OPERS members contributed 10% of their gross pay while the Township contributed an amount equal to 14% of covered payroll. The Township picked up 3% of the Road Department's employee contributions. The Township paid all required contributions through 2014.

For 2014 and 2013, police OPERS members contributed 13.00% and 12.60%, respectively, of their gross pay while the Township contributed an amount equal to 18.10% of covered payroll. The Township picked up 6% of the police department's employee contributions. The Township paid all required contributions through 2014.

**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. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.). York functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool. 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

The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2014, OTARMA retained \$350,000 for casualty claims and \$250,000 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, 2013 and 2014:

**MONTVILLE TOWNSHIP  
MEDINA COUNTY, OHIO**

**Notes to the Financial Statements  
For the Years Ended December 31, 2014 and 2013**

**7. RISK MANAGEMENT – (continued)**

	<u>2013</u>	<u>2014</u>
Assets	\$34,954,286	\$35,970,263
Liabilities	8,486,363	8,912,432
Net Position	\$26,467,923	\$27,057,831

At December 31, 2013 and 2014, respectively, the liabilities above include approximately \$7.9 and \$8.2 million of estimated incurred claims payable. The assets above also include approximately \$7.4 and \$7.2 million of unpaid claims to be billed to approximately 957 member governments in the future, as of December 31, 2013 and 2014, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2014, the Township's share of these unpaid claims collectible in future years is approximately \$29,000.

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>2013</u>	<u>2014</u>
\$53,175	\$55,222

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.

**8. TRANSFERS**

During both 2013 and 2014, the Township transferred \$200,000 from the General Fund to the Road and Bridge Fund to supplement the operations of that fund.

**9. CONTINGENT LIABILITES/SUBSEQUENT EVENTS**

Management believes there are no pending claims or lawsuits.

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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

Montville Township  
Medina County  
6665 Wadsworth Road  
Medina, Ohio 44256

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Montville Township, Medina County, (the Township) as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements and have issued our report thereon dated June 1, 2015, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permits.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

*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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

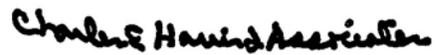
***Compliance and Other Matters***

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, opining 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 June 1, 2015.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



***Charles E. Harris and Associates, Inc.***  
June 1, 2015

**MONTVILLE TOWNSHIP  
MEDINA COUNTY, OHIO**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
December 31, 2014 and 2013**

The prior audit report, for the year ending December 31, 2012 reported no material citations or recommendations.

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# Dave Yost • Auditor of State

**MONTVILLE TOWNSHIP**

**MEDINA 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 22, 2015**