

***UNITY TOWNSHIP
COLUMBIANA COUNTY, OHIO***

AUDIT REPORT

FOR THE YEARS ENDED DECEMBER 31, 2009 and 2008

Charles E. Harris and Associates, Inc.
Certified Public Accountants and Government Consultants



Mary Taylor, CPA

Auditor of State

Board of Trustees
Unity Township
51977 State Route 14
East Palestine, Ohio 44413

We have reviewed the *Report of Independent Accountants* of Unity Township, Columbiana County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2008 through December 31, 2009. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Report of Independent Accountants* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Report of Independent Accountants* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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. Unity Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 7, 2010

This Page is Intentionally Left Blank.

**UNITY TOWNSHIP
COLUMBIANA COUNTY, OHIO
Audit Report
For the Years Ended December 31, 2009 and 2008**

TABLE OF CONTENTS

<u>Title</u>	<u>Page</u>
Report of Independent Accountants	1-2
Combined Statement of Receipts, Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2009	3
Combined Statement of Receipts, Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2008	4
Notes to the Financial Statements	5-12
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	13-14
Schedule of Prior Audit Findings	15

Rockefeller Building
614 W Superior Ave Ste1242
Cleveland OH 44113-1306
Phone - (216) 575-1630
Fax - (216) 436-2411

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

REPORT OF INDEPENDENT ACCOUNTANTS

Unity Township
Columbiana County
51977 State Route 14
East Palestine, Ohio 44413

To the Board of Trustees:

We have audited the accompanying financial statements of Unity Township, Columbiana County, Ohio (the Township), as of and for the years ended December 31, 2009 and 2008. 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 that 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.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2009 and 2008. Instead of the combined funds the accompanying financial statements present for 2009 and 2008, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2009 and 2008. 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 the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since the Township does not use GAAP to measure financial statement amounts, 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, 2009 and 2008, 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, 2009 and 2008, 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 of Unity Township, Columbiana County, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements and changes in fund cash balances for the years then ended on the accounting basis Note 1 describes.

As described in Note 10, in 2007, the Township reported each major fund in a separate column with nonmajor funds aggregated in accordance with Governmental Accounting Standards Board Statement Number 34. This year the Township presented financial statements by fund type using the cash basis of accounting as prescribed or permitted by the Auditor of State of Ohio.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the years ended December 31, 2009 and 2008. 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 March 3, 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, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Charles E. Harris & Associates, Inc.

March 3, 2010

UNITY TOWNSHIP
 COLUMBIANA COUNTY, OHIO
 COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 All Governmental Fund Types
 For the Year Ended December 31, 2009

	Governmental Fund Types				Total Memorandum Only
	General	Special Revenue	Debt Service	Permanent	
Receipts:					
Property and Local Taxes	\$ 27,121	\$ 432,557	\$ -	\$ -	\$ 459,678
Intergovernmental	79,778	167,850	-	-	247,628
Charges For Services	-	1,363	-	-	1,363
Fines, Licenses and Permits	21,029	-	-	-	21,029
Earnings on Investments	208	46	-	4	258
Miscellaneous	250	970	-	-	1,220
Total Receipts	128,386	602,786	-	4	731,176
Disbursements:					
Current:					
General Government	76,923	-	-	-	76,923
Public Safety	-	75,300	-	-	75,300
Public Works	38,582	411,564	-	-	450,146
Capital Outlay	35,784	123,678	-	-	159,462
Debt Service:					
Principal Payment	-	6,785	-	-	6,785
Interest and Fiscal Charges	-	1,003	-	-	1,003
Total Disbursements	151,289	618,330	-	-	769,619
Total Receipts Over/(Under) Disbursements	(22,903)	(15,544)	-	4	(38,443)
Other Financing Sources/(Uses)					
Transfers-In	-	34	-	-	34
Advances-In	7,500	7,500	-	-	15,000
Transfers-Out	-	-	(34)	-	(34)
Advances-Out	(7,500)	(7,500)	-	-	(15,000)
Total Other Financing Sources/(Uses)	-	34	(34)	-	-
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	(22,903)	(15,510)	(34)	4	(38,443)
Fund Cash Balances, January 1, 2009	76,453	370,481	34	926	447,894
Fund Cash Balances, December 31, 2009	\$ 53,550	\$ 354,971	\$ -	\$ 930	\$ 409,451

See Accompanying Notes to the Financial Statements.

UNITY TOWNSHIP
COLUMBIANA COUNTY, OHIO
COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
All Governmental Fund Types
For the Year Ended December 31, 2008

	Governmental Fund Types				Total Memorandum Only
	General	Special Revenue	Debt Service	Permanent	
Receipts:					
Property and Local Taxes	\$ 27,539	\$ 413,037	\$ -	\$ -	\$ 440,576
Intergovernmental	128,453	184,232	-	-	312,685
Charges For Services	-	906	-	-	906
Fines, Licenses and Permits	19,436	-	-	-	19,436
Earnings on Investments	627	128	-	4	759
Miscellaneous	27	5,109	-	-	5,136
Total Receipts	176,082	603,412	-	4	779,498
Disbursements:					
Current:					
General Government	80,214	3,829	-	-	84,043
Public Safety	-	68,399	-	-	68,399
Public Works	47,368	404,406	-	-	451,774
Health	-	-	-	48	48
Capital Outlay	31,060	51,805	-	-	82,865
Debt Service:					
Principal Payment	-	6,415	-	-	6,415
Interest and Fiscal Charges	-	1,374	-	-	1,374
Total Disbursements	158,642	536,228	-	48	694,918
Total Receipts Over/(Under) Disbursements	17,440	67,184	-	(44)	84,580
Other Financing Sources/(Uses)					
Advances-In	1,000	1,000	-	-	2,000
Advances-Out	(1,000)	(1,000)	-	-	(2,000)
Total Other Financing Sources/(Uses)	-	-	-	-	-
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	17,440	67,184	-	(44)	84,580
Fund Cash Balances, January 1, 2008	59,013	303,297	34	970	363,314
Fund Cash Balances, December 31, 2008	\$ 76,453	\$ 370,481	\$ 34	\$ 926	\$ 447,894

See Accompanying Notes to the Financial Statements.

UNITY TOWNSHIP
COLUMBIANA COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

The Unity Township, (the Township) is a body corporate and politic established for the purpose of exercising 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 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. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads, and cemetery maintenance. The Township contracts with the Village of New Waterford and the City of East Palestine for fire protection. Police protection is provided by the Columbiana County Sheriff's Office.

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

B. BASIS OF ACCOUNTING

The Township prepares its financial statements following the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved.)

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. CASH

Investments are included in the fund cash balances. Accordingly, purchases of investments are not recorded as disbursements and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Certificates of deposit are valued at cost.

UNITY TOWNSHIP
COLUMBIANA COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

D. FUND ACCOUNTING

The Township maintains its accounting records in accordance with the principles of “Fund” accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity, which stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

General Fund: The general operating fund of the Township. It is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

Special Revenue Funds: These funds are used to account for proceeds from special sources (other than from trusts or for capital projects) that are restricted to expenditures for specific purposes. Significant special revenue funds follow:

- Gas Tax – This fund accounts for all gasoline tax receipts from the state and may be used for repair, reconstruction and construction of roads, labor, road equipment purchases, etc.
- Road and Bridge Fund – This fund is a portion of the inside millage real property taxes and may be used for the construction, reconstruction, resurfacing and repair of roads and bridges.
- Fire District Fund – This fund consists of two 1 mill voted levies for the purpose of providing fire protection to township residents.
- Road District Fund – This fund is a voted 2 mill levy used for the construction, reconstruction, resurfacing and repair of township roads and bridges.

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

- General Obligation Debt Service Fund - This fund is used to accumulate funds and make payments on outstanding debt of the Township.

Permanent Funds: These funds 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 had the following significant Permanent Fund:

UNITY TOWNSHIP
COLUMBIANA COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

D. FUND ACCOUNTING – (Continued)

- Cemetery Endowment Fund – This 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

A budget of estimated cash receipts and disbursements is prepared by the Clerk, approved by the Township Board of Trustees, and submitted to the county auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

1. Estimated Resources

The county auditor calculates the estimated revenues available to the Township. The county auditor prepares a certificate of estimated resources based upon this calculation and upon the other financial information supplied in the budget sent by the Township. The certificate is approved by the County Budget Commission and sent to the Township Clerk by September 1.

Prior to December 31, the Township must revise its budget so that the total budgeted expenditures for a fund will not exceed the amount of stated in the certificate of estimated resources. The revised budget serves as the basis for the annual appropriation measure.

On or about January 1, the Clerk sends the county auditor a certificate to which includes the actual unencumbered balances from the preceding year. The county auditor prepares an amended certificate, submits it to the County Budget Commission for approval. This amended certificate may be further amended during the year if projected increases or the Clerk identifies decreases in revenue. The amounts reported in the budgetary footnote reflect the amounts in the final amended certificates issued during 2009 and 2008.

Budget receipts, as shown in footnote number 4, do not include the unencumbered fund balances as of January 1, 2009 and 2008. However, those fund balances are available for appropriation.

UNITY TOWNSHIP
COLUMBIANA COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E. BUDGETARY PROCESS – (Continued)

2. 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. A temporary appropriation measure to control cash expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by March 31 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information becomes available.

3. Encumbrances

The Township is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Encumbrances outstanding at year end are carried forward to the subsequent year and need not be reappropriated.

A summary of budgetary activity appears in Note 4.

F. PROPERTY, PLANT AND EQUIPMENT

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

G. ACCUMULATED LEAVE

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

**UNITY TOWNSHIP
COLUMBIANA COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008**

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS

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 cash and investments at December 31 was as follows:

	2009	2008
Demand deposits	\$ 409,451	\$ 447,894

Deposits: Deposits are either (1) insured by the Federal Deposit Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

3. PROPERTY TAXES

Real property taxes are levied on assessed values, which equal 35% of appraised value. The county auditor reappraises all real property every six years with a triennial update. The last update was completed for tax year 2006.

Real property taxes become a lien on all non-exempt real property located in the county on January 1. 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 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

The State Board of Tax Equalization adjusts the tax rates for inflation. Real property owners' tax bills are further reduced by homestead and rollback deductions when applicable. The amount of these homestead and rollback reductions is reimbursed to the Township by the State of Ohio. The amounts reimbursed by the State of Ohio are reflected in the accompanying financial statements as intergovernmental receipts.

Public utilities are also taxed on personal and real property located within the Township. Tangible personal property tax is assessed on the property owners, who must file a list of such property to the County by each April 30. The tangible personal property taxes are being phased out through 2009.

The County Treasurer collects property tax on behalf of all taxing Townships within the county. The County Auditor periodically remits to the taxing Township their portions of the taxes collected.

UNITY TOWNSHIP
COLUMBIANA COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

4. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2009 and 2008 follows:

2008 Budgeted vs Actual Receipts

<u>Fund</u>	Budgeted <u>Receipts</u>	Actual <u>Receipts</u>	<u>Variance</u>
General Fund	\$ 177,128	\$ 176,082	\$ (1,046)
Special Revenue Funds	597,884	603,416	5,532
Permanent Fund	4	4	-

2008 Budgeted vs Actual Budgetary Basis Disbursements

<u>Fund</u>	Appropriation <u>Authority</u>	Budgetary <u>Disbursements</u>	<u>Variance</u>
General Fund	\$ 191,439	\$ 158,642	\$ 32,797
Special Revenue Funds	822,827	536,276	286,551
Permanent Fund	100	48	52

2009 Budgeted vs Actual Receipts

<u>Fund</u>	Budgeted <u>Receipts</u>	Actual <u>Receipts</u>	<u>Variance</u>
General Fund	\$ 128,381	\$ 128,386	\$ 5
Special Revenue Funds	606,057	602,824	(3,233)
Permanent Fund	4	4	-

2009 Budgeted vs Actual Budgetary Basis Disbursements

<u>Fund</u>	Appropriation <u>Authority</u>	Budgetary <u>Disbursements</u>	<u>Variance</u>
General Fund	\$ 189,387	\$ 151,289	\$ 38,098
Special Revenue Funds	882,234	618,330	263,904
Debt Service Fund	34	34	-
Permanent Fund	100	-	100

5. DEFINED BENEFIT PENSION PLANS

Full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost sharing, multiple-employer plans. 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 also prescribed by the Ohio Revised Code. For 2008, OPERS members contributed 10% of their salaries. The Township contributed an amount equal to 14% of participants' gross salaries. In 2009, OPERS member employees contributed 10% while the Township contributed 14%. The Township has paid all contributions required through December 31, 2009.

**UNITY TOWNSHIP
COLUMBIANA COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008**

6. DEBT

The Township's outstanding debt at December 31, 2007 is as follows:

	Interest Rate	Balance December 31, 2009
Case Backhoe	5.67%	\$ 12,678

The Township signed a promissory note to finance the purchase of a Case Backhoe for Township road maintenance. The Township will fund the debt with tax revenues.

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

	Principal	Interest
2010	\$ 7,180	\$ 608
2011	5,498	152
Total	\$ 12,678	\$ 760

7. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Public officials' liability
- Vehicles
- Errors and omissions
- Commercial inland marine
- Employer's liability
- Employee benefits liability
- Crime

Settled claims have not exceeded commercial coverage in any of the past three years. Also, the Township did not reduce the limits of liability significantly in the current period.

8. SUBSEQUENT EVENTS/PENDING LITIGATION

Management believes there are no pending claims or lawsuits.

UNITY TOWNSHIP
COLUMBIANA COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

9. INTERFUND TRANSFER

A transfer was made from the Debt Service fund to Road and Bridge fund due to the completed payment of the related obligation in a previous year. The transfer presented in the financial statements was made in accordance with Ohio Revised Code requirements.

10. CHANGE IN FINANCIAL STATEMENT PRESENTATION

Last year, the Township reported its financial statements in accordance with Governmental Accounting Standards Board Statement Number 34. This year the Township has implemented the cash regulatory basis of accounting as prescribed or permitted by the State Auditor's Office described in note 1. The fund financial statements now present a column for each fund type rather than each major fund in a separate column with nonmajor funds aggregated and presented in a single column. Also a balance of \$34 in the debt service fund was incorrectly recorded as special revenue in the previous audit report. The correction was made in the current report.

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

Unity Township
Columbiana County
51977 State Route 14
East Palestine, Ohio 44413

To the Board of Trustees:

We have audited the financial statements of Unity Township, Columbiana County Ohio (the Township) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated March 3, 2010, 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 and they change their financial statement presentation. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls 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 auditing procedures for the purpose of expressing our opinions 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 grants 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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

Charles E. Harris and Associates, Inc.

March 3, 2010

**UNITY TOWNSHIP
COLUMBIANA COUNTY, OHIO**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 and 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or finding no longer Valid; Explain:
2007 - UT - 001	Ohio Revised Code Section 5705.39 Appropriations exceeded estimated resources.	Yes	
2007 - UT - 002	Ohio Administrative Code Section 117-2-02(A) Account classification	Yes	



Mary Taylor, CPA
Auditor of State

UNITY TOWNSHIP

COLUMBIANA 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 22, 2010**