



Dave Yost • Auditor of State

YORK TOWNSHIP
FULTON COUNTY

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Dave Yost • Auditor of State

York Township
Fulton County
6955 County Road FG, P.O. Box 248
Delta, Ohio 43515-0248

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.

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

Dave Yost
Auditor of State

September 16, 2011

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

York Township
Fulton County
6955 County Road FG, P.O. Box 248
Delta, Ohio 43515-0248

To the Board of Trustees:

We have audited the accompanying financial statements of York Township, Fulton County, Ohio (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. 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 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 or cash flows, where applicable 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 York Township, Fulton 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 September 16, 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.



Dave Yost
Auditor of State

September 16, 2011

**YORK TOWNSHIP
FULTON 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**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property and Other Local Taxes	\$71,847	\$148,946		\$220,793
Charges for Services		477,938		477,938
Licenses, Permits, and Fees		5,948		5,948
Intergovernmental	63,330	167,518	\$2,500	233,348
Earnings on Investments	513	409		922
Miscellaneous	<u>33,736</u>	<u>33,143</u>		<u>66,879</u>
 Total Cash Receipts	 <u>169,426</u>	 <u>833,902</u>	 <u>2,500</u>	 <u>1,005,828</u>
Cash Disbursements:				
Current:				
General Government	165,078			165,078
Public Safety		473,215		473,215
Public Works		126,774		126,774
Health		2,922		2,922
Other		2,105		2,105
Capital Outlay		35,511	2,500	38,011
Debt Service:				
Redemption of Principal	5,200	26,829		32,029
Interest and Other Fiscal Charges	<u>945</u>	<u>5,768</u>		<u>6,713</u>
 Total Cash Disbursements	 <u>171,223</u>	 <u>673,124</u>	 <u>\$2,500</u>	 <u>846,847</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(1,797)</u>	<u>160,778</u>		<u>158,981</u>
Other Financing Disbursements:				
Transfers-Out	<u>(15,000)</u>			<u>(15,000)</u>
Excess of Cash Receipts Over /(Under) Cash Disbursements and Other Financing Disbursements	(16,797)	160,778		143,981
Fund Cash Balances, January 1	<u>192,604</u>	<u>612,512</u>		<u>805,116</u>
Fund Cash Balances, December 31	<u>\$175,807</u>	<u>\$773,290</u>		<u>\$949,097</u>

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

YORK TOWNSHIP
FULTON COUNTY

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

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Internal Service</u>	<u>Private Purpose Trust</u>	
Operating Cash Disbursements:			
Employee Fringe Benefits	\$4,965		\$4,965
Operating Loss	(4,965)		(4,965)
Non-Operating Cash Receipts:			
Earnings on Investments		\$9	9
Transfers-In	15,000		15,000
Total Non-Operating Cash Receipts	15,000	9	15,009
Net Cash Receipts Over Cash Disbursements	10,035	9	19,974
Fund Cash Balances, January 1		1,931	1,931
Fund Cash Balances, December 31	<u>\$10,035</u>	<u>\$1,940</u>	<u>\$11,975</u>

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

**YORK TOWNSHIP
FULTON 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**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property and Other Local Taxes	\$67,781	\$132,270		\$200,051
Charges for Services		499,355		499,355
Licenses, Permits, and Fees		2,169		2,169
Intergovernmental	139,406	165,222	\$117,758	422,386
Earnings on Investments	1,012	926		1,938
Miscellaneous	654	43,389		44,043
	<u>208,853</u>	<u>843,331</u>	<u>117,758</u>	<u>1,169,942</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
General Government	186,977			186,977
Public Safety		459,266		459,266
Public Works		216,983		216,983
Health		1,873		1,873
Other		2,347		2,347
Capital Outlay		239,515	117,758	357,273
Debt Service:				
Redemption of Principal	5,200	26,829		32,029
Interest and Other Fiscal Charges	445	6,568		7,013
	<u>192,622</u>	<u>953,381</u>	<u>\$117,758</u>	<u>1,263,761</u>
Total Cash Disbursements				
Total Cash Receipts Over/(Under) Cash Disbursements	<u>16,231</u>	<u>(110,050)</u>		<u>(93,819)</u>
Fund Cash Balances, January 1	<u>176,373</u>	<u>722,562</u>		<u>898,935</u>
Fund Cash Balances, December 31	<u>\$192,604</u>	<u>\$612,512</u>		<u>\$805,116</u>

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

YORK TOWNSHIP
FULTON COUNTY

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

	<u>Fiduciary Fund Type</u>
	<u>Private Purpose Trust</u>
Non-Operating Cash Receipts:	
Earnings on Investments	\$7
Fund Cash Balances, January 1	<u>1,924</u>
Fund Cash Balances, December 31	<u><u>\$1,931</u></u>

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

**YORK TOWNSHIP
FULTON 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 York Township, Fulton County, Ohio (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 participates in Ohio Township Association Risk Management Authority (OTARMA), which is 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.

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 U.S. Savings Bond is valued at the bond's value at the time it was bequeathed to the Township. 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 Fund:

**YORK TOWNSHIP
FULTON COUNTY**

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

1. Summary of Significant Accounting Policies (Continued)

EMS Fund - This fund receives revenues from Fulton County based on a contractual agreement executed for the provision of emergency medical services.

3. 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 had the following significant Capital Project Fund:

Issue II Fund - The Township received a grant from the State of Ohio to repair a county road.

4. Internal Service Fund

This fund accounts for services provided by one department to other departments of the government unit. The Township had the following Internal Service Fund:

Self-funded Health Insurance Fund – This fund receives revenue from the General Fund to pay medical claims of officials and employees enrolled in the health insurance plan.

5. Fiduciary Funds

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 funds are for the benefit of certain individuals and are bequests that provide for cemetery maintenance, flowers, and free graves.

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, 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. 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.

YORK TOWNSHIP
FULTON 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	<u>\$462,201</u>	<u>\$308,714</u>
Investments		
U.S. Savings Bond	500	500
STAR Ohio	<u>498,371</u>	<u>497,833</u>
Total investments	<u>498,871</u>	<u>498,333</u>
Total deposits and investments	<u><u>\$961,072</u></u>	<u><u>\$807,047</u></u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Township.

Investments: The U.S. Savings Bond is held by the Township in the Township's name. Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**YORK TOWNSHIP
FULTON 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 2009 follows:

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$165,843	\$169,426	\$3,583
Special Revenue	845,391	833,902	(11,489)
Capital Projects	2,500	2,500	
Internal Service	15,000	15,000	
Private Purpose Trust	8	9	1
Total	\$1,028,742	\$1,020,837	(\$7,905)

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$325,113	\$186,223	\$138,890
Special Revenue	457,903	673,124	(215,221)
Capital Projects	2,500	2,500	
Internal Service	15,000	4,965	10,035
Private Purpose Trust	1,939	1,939	
Total	\$802,455	\$866,812	(\$64,357)

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$175,299	\$208,853	\$33,554
Special Revenue	763,509	843,331	79,822
Capital Projects	118,229	117,758	(471)
Private Purpose Trust	38	7	(31)
Total	\$1,057,075	\$1,169,949	\$112,874

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$328,761	\$192,622	\$136,139
Special Revenue	1,480,315	953,381	526,934
Capital Projects	118,229	117,758	471
Private Purpose Trust	1,961	1,961	
Total	\$1,929,266	\$1,263,761	\$665,505

**YORK TOWNSHIP
FULTON 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.

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.

5. Debt

Debt outstanding at December 31, 2010 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Township Association		
Lease-Purchase Agreement	\$95,000	2.00% - 4.75%
Ohio Public Works Commission Loan	<u>36,088</u>	
Total	<u><u>\$131,088</u></u>	

The Township entered into a \$230,000 lease-purchase agreement with the Ohio Township Association (OTA) Leasing in accordance with Section 505.267 of the Ohio Revised Code. This agreement was to refinance a loan for the construction of the Township Administration/EMS building. The Township will pay the Bank of New York semi-annual rent payments for eleven years, starting in June 2004 and ending with the final payment on November 15, 2014. The total semi-annual rent payments including principal and interest will be \$300,357. As stated in the lease-purchase agreement, the Township can fully execute the terms of the agreement at any time by paying off remaining payments in a lump sum. Upon fully executing the terms of the lease-purchase agreement, the Township will assume ownership of the building. This debt is paid from the EMS and General Funds.

The Township has financed a portion of the Road C project costs through the Ohio Public Works Commission (OPWC). This loan began in 2004 and will end in 2013. This debt is paid from the Road and Bridge Fund.

**YORK TOWNSHIP
FULTON COUNTY**

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

5. Debt (Continued)

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

Year ending December 31:	OTA Lease - Purchase Agreement	Ohio Public Works Commission
2011	\$25,263	\$12,029
2012	29,312	12,029
2013	28,125	12,030
2014	26,938	
Total	<u>\$109,638</u>	<u>\$36,088</u>

6. Retirement System

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 plan's 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% 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

Risk Pool Membership

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, 2010, OTARMA retained \$350,000 for casualty claims and \$150,000 for property claims.

**YORK TOWNSHIP
FULTON COUNTY**

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

7. Risk Management (Continued)

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, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Assets	\$35,855,252	\$38,982,088
Liabilities	<u>(10,664,724)</u>	<u>(12,880,766)</u>
Net Assets	<u>\$25,190,528</u>	<u>\$26,101,322</u>

At December 31, 2010 and 2009, respectively, the liabilities above include approximately \$9.9 and \$12.0 million of estimated incurred claims payable. The assets above also include approximately \$9.5 and \$11.5 million of unpaid claims to be billed to approximately 940 member governments in the future, as of December 31, 2010 and 2009, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2010, the Township's share of these unpaid claims collectible in future years is approximately \$20,000.

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>2010</u>	<u>2009</u>
\$26,790	\$25,588

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

York Township
Fulton County
6955 County Road FG, P.O. Box 248
Delta, Ohio 43515-0248

To the Board of Trustees:

We have audited the financial statements of York Township, Fulton County (the Township) as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated September 16, 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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies, or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2010-002 described in the accompanying schedule of findings to be a material weakness.

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 an instance of noncompliance or other matter we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2010-001.

We also noted a certain matter not requiring inclusion in this report that we reported to the Township's management in a separate letter dated September 16, 2011.

The Township's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Township's responses and, accordingly, we express no opinion on them.

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.



Dave Yost
Auditor of State

September 16, 2011

**YORK TOWNSHIP
FULTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009**

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

FINDING NUMBER 2010-001

Finding for Recovery Repaid Under Audit

On December 17, 2008, the Board of Trustees approved an increase of \$100 per month to the salary of Charles Hudson, Fire Chief, for 2009. This increase brought Mr. Hudson's salary up to the amount of \$1,400 per month for a total of \$16,800 for 2009. Mr. Hudson retired as Fire Chief on December 31, 2009. He was paid \$17,754 in 2009 and \$246 in 2010 by the Township resulting in an overpayment of \$1,200.

In accordance with the foregoing facts and pursuant to O.R.C. Section 117.28, a finding for recovery for public money illegally expended is hereby issued against Charles Hudson, Fire Chief, in the amount of \$1,200 and in favor of the York Township Fire Department Fund.

On August 29, 2011 the Township received \$1,200 from Charles Hudson.

Officials' Response:

Township officials have implemented corrective procedures.

FINDING NUMBER 2010-002

Material Weakness

Financial Reporting

As a result of the audit procedures performed, we identified intergovernmental revenues of \$14,352 in 2010 and \$13,951 in 2009 within the General Fund and \$40,504 in 2010 and \$40,313 in 2009 within the Special Revenue Funds were posted as tax revenues.

Adjustments to correct these errors were posted to the accompanying financial statements.

Sound financial reporting is the responsibility of the Fiscal Officer and Board and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

To ensure the Township's financial statements and notes to the statements are complete and accurate, the Township should adopt policies and procedures, including a final review of the statements and notes by the Fiscal Officer and Board of Trustees, to identify and correct errors and omissions. The Fiscal Officer should also review and Township Handbook's chart of accounts to ensure all accounts are being properly posted to the financial statements.

Officials' Response:

Township officials have implemented corrective procedures.

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Dave Yost • Auditor of State

YORK TOWNSHIP

FULTON 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 29, 2011