



ALGER & ASSOCIATES, Inc.

Certified Public Accountants

YORK TOWNSHIP
UNION COUNTY, OHIO

REGULAR AUDIT
A&A

FOR THE YEARS ENDED
DECEMBER 31, 2013 and 2012



Dave Yost • Auditor of State

Board of Trustees
York Township
29000 Hoover Moffitt Road
West Mansfield, OH 43358

We have reviewed the *Independent Auditor's Report* of York Township, Union County, prepared by Alger & Associates, Inc., for the audit period January 1, 2012 through December 31, 2013. 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. York Township is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

August 21, 2013

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YORK TOWNSHIP
UNION COUNTY

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ALGER & ASSOCIATES, Inc.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

York Township
Union County
29000 Hoover Moffitt Road
West Mansfield OH 43358

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of York Township, Union County, Ohio (the Township) as of and for the years ended December 31, 2013 and 2012.

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 Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; 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 opinion.

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

As described in Note 1B 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, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1B and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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, 2013 and 2012, 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 York Township, Union County as of December 31, 2013 and 2012, 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 1B.

Emphasis of Matter

As discussed in Note 1F to the financial statements, during 2012, the Township adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 17, 2014, 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.

Alger &
Associates, Inc.

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Alger & Associates, Inc.
Certified Public Accountants
North Canton, OH
July 17, 2014

YORK TOWNSHIP
UNION COUNTY

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)

ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts:				
Property and Other Local Taxes	\$64,900	\$135,788	\$0	\$200,688
Licenses, Permits and Fees	1,506	4,050	-	5,556
Intergovernmental	19,152	100,124	-	119,276
Earnings on Investments	1,895	173	-	2,068
Miscellaneous	4,157	4,063	-	8,220
Total Cash Receipts	91,610	244,198	-	335,808
Cash Disbursements:				
Current:				
General Government	60,182	-	-	60,182
Public Safety	100	111,203	-	111,303
Public Works	29,549	105,060	-	134,609
Health	12,907	16,413	-	29,320
Capital Outlay	-	1,954	9,141	11,095
Total Cash Disbursements	102,738	234,630	9,141	346,509
Total Receipts Over/(Under) Disbursements	(11,128)	9,568	(9,141)	(10,701)
Other Financing Disbursements				
Other Financing Uses	(13,075)	-	-	(13,075)
Net Change in Fund Cash Balances	(24,203)	9,568	(9,141)	(23,776)
Fund Cash Balance, January 1	396,390	185,519	150,000	731,909
Fund Cash Balance, December 31				
Restricted	-	195,087	-	195,087
Committed	-	-	140,859	140,859
Unassigned	372,187	-	-	372,187
<i>Fund Cash Balance, December 31</i>	<u><u>\$372,187</u></u>	<u><u>\$195,087</u></u>	<u><u>\$140,859</u></u>	<u><u>\$708,133</u></u>

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

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**YORK TOWNSHIP
UNION COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)**

**ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2012**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts:				
Property and Other Local Taxes	\$63,650	\$127,256	\$0	\$190,906
Licenses, Permits and Fees	615	8,900	-	9,515
Intergovernmental	56,709	121,441	-	178,150
Earnings on Investments	3,034	104	-	3,138
Miscellaneous	11,565	5,361	-	16,926
Total Cash Receipts	135,573	263,062	-	398,635
Cash Disbursements:				
Current:				
General Government	67,243	-	-	67,243
Public Safety	1,502	111,131	-	112,633
Public Works	28,886	119,127	-	148,013
Health	19,089	14,778	-	33,867
Capital Outlay	320	6,367	-	6,687
Total Cash Disbursements	117,040	251,403	-	368,443
Total Receipts Over/(Under) Disbursements	18,533	11,659	-	30,192
Other Financing Disbursements				
Other Financing Uses	(500)	-	-	(500)
Net Change in Fund Cash Balances	18,033	11,659	-	29,692
Fund Cash Balance, January 1	378,357	173,860	150,000	702,217
Fund Cash Balance, December 31				
Restricted	-	185,519	-	185,519
Committed	-	-	150,000	150,000
Unassigned	396,390	-	-	396,390
Fund Cash Balance, December 31	\$396,390	\$185,519	\$150,000	\$731,909

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

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**YORK TOWNSHIP
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the York Township, Union 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 and cemetery maintenance. The Township contracts with the Liberty Township and Bokescreek Township for fire services/EMS protection services.

The Township participates in a public entity risk pool. Notes 6 to the financial statements provides additional information for these entities. This organization is: Ohio Township Association Risk Management Authority (OTARMA). This is a risk sharing pool available to all Townships for property and casualty insurance coverage.

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.

Certificates of deposit are valued at cost.

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types.

YORK TOWNSHIP
UNION COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)

1. **Summary of Significant Accounting Policies (Continued)**

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.

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

3. **Capital Project Funds**

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant capital project funds:

Miscellaneous Capital Projects – This fund is used to track miscellaneous capital projects taken on by the Township.

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. 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 approve estimated resources.

YORK TOWNSHIP
UNION COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)

1. Summary of Significant Accounting Policies (Continued)

E. Budgetary Process (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 re-appropriated in the subsequent year.

A summary of 2013 and 2012 budgetary activity appears in Note 3.

F. Fund Balance

The Township has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". GASB Statement No. 54 provides fund balance classifications that can be more consistently applied and clarifies the existing governmental fund type definitions. The requirements of this statement classify fund balance as nonspendable, restricted, committed, assigned, and/or unassigned. This change has no effect on the previously stated fund balances.

Fund balance is divided into five 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.

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.

YORK TOWNSHIP
UNION COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)

1. Summary of Significant Accounting Policies (Continued)

F. Fund Balance (Continued)

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.

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:

	2013	2012
Demand deposits	\$289,133	\$312,909
Certificates of deposit	419,000	419,000
Total deposits	\$708,133	\$731,909

**YORK TOWNSHIP
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

2. Equity in Pooled Deposits and Investments (Continued)

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

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2013 and 2012 follows:

2013 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$78,704	\$91,610	\$12,906
Special Revenue	214,342	244,198	29,856
Capital Projects	1	0	(1)
Total	<u>\$293,047</u>	<u>\$335,808</u>	<u>\$42,761</u>

2013 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$437,703	\$115,813	\$321,890
Special Revenue	275,980	234,630	41,350
Capital Projects	150,000	9,141	140,859
Total	<u>\$863,683</u>	<u>\$359,584</u>	<u>\$504,099</u>

2012 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$78,704	\$135,573	\$56,869
Special Revenue	218,962	263,062	44,100
Capital Projects	1	0	(1)
Total	<u>\$297,667</u>	<u>\$398,635</u>	<u>\$100,968</u>

**YORK TOWNSHIP
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$437,703	\$117,540	\$320,163
Special Revenue	275,980	251,403	24,577
Capital Projects	150,000	0	150,000
Total	\$863,683	\$368,943	\$494,740

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.

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

5. Retirement Systems

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

The Ohio Revised Code also prescribes contribution rates. For 2013 and 2012, OPERS members contributed 10% of their gross salaries, with the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2013.

6. 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.

**YORK TOWNSHIP
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

6. Risk Management (continued)

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 or Management), 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, 2013, 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 2012 (the latest information available).

	2013	2012
Assets	\$34,954,286	\$34,771,270
Liabilities	8,486,363	9,355,082
Net Position	\$26,467,923	\$25,416,188

At December 31, 2013 and 2012, respectively, the liabilities above include approximately \$7.9 and \$8.7 million of estimated incurred claims payable. The assets above also include approximately \$7.4 and \$7.8 million of unpaid claims to be billed to approximately 948 member governments in the future, as of December 31, 2013 and 2012, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2013, the Township's share of these unpaid claims collectible in future years is approximately \$5,000.

YORK TOWNSHIP
UNION COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)

6. Risk Management (continued)

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.

Contributions to OTARMA	
2013	2012
\$8,713	\$8,550

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



ALGER & ASSOCIATES, Inc.

Certified Public Accountants

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

York Township
Union County
29000 Hoover Moffitt Road
West Mansfield OH 43358

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 statement of York Township, Union County, (the Township) as of and for the year ended December 31, 2013 and 2012, and the related notes to the financial statement, and have issued our report thereon dated July 17, 2014 wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit and wherein the Township adopted Governmental Accounting Standards Board Statement No. 54 in 2012.

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 opinion 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.

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

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 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. We consider findings 2013-003 and 2013-004 described in the accompanying schedule of findings to be material weaknesses.

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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings, as items 2013-001 and 2013-002.

Entity's Response to Findings

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 it.

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.

**Alger &
Associates, Inc.**
Alger & Associates, Inc.
Certified Public Accountants
North Canton, OH
July 17, 2014

Digitally signed by Alger & Associates, Inc.
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YORK TOWNSHIP
UNION COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2013 AND 2012
(Continued)

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

FINDING NUMBER 2013-001

Ohio Revised Code §5705.38 requires that on or about the first day of each fiscal year, an appropriation measure is to be passed. If the taxing authority wants to postpone the passage of the annual appropriation measure until an amended certificate is received from the county budget commission based upon the actual year end balances it may pass a temporary appropriation measure for meeting the ordinary expenses until no later than April 1.

The Township did not file an appropriation measure within the prescribed timeline for fiscal year 2013 and 2012 with the County Auditor.

The Township should file their annual appropriations measure with the county audit by the required date.

FINDING NUMBER 2013-002

Ohio Revised Code §149.43 states that every public office must have a public records policy and records retention schedule in place for compliance with Public Records Laws. There are three specific items that public office cannot have in their public records policies. The policy cannot: (1) limit the number of public records it will make available to a single person; (2) limit the number of public records it will make available during a fixed period of time; or (3) establish a fixed period of time before it will respond to a request for inspection/copying of public records unless that period is less than eight hours. In addition, all public offices are required to distribute their Public Records Policy to the employee who is the records custodian/manager or otherwise has custody of the records of the office.

Ohio Revised Code, §109.43(B) and 149.43(E)(1), states that officials elected to statewide or local offices receive three hours of Public Records training for each term of office. The training must be certified by the Ohio Attorney General. Proof that training has been completed must include documentation that either the Attorney General's office or another entity certified by the Attorney General provided the training.

If the elected official so chooses, the law allows a designee to be appointed to receive the training on the elected official's benefit. The designee must be an employee in the public office and there must be evidence of the designation. If there is more than one elected official in the public office, the designee should be the designee of all the elected officials within the office.

**YORK TOWNSHIP
UNION COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2013 AND 2012
(Continued)**

FINDING NUMBER 2013-002 – (continued)

We noted the following:

- Two of the four Township's officials did not attend the Public Records training nor did they appoint a designee to attend on their behalf.
- The Township did not approve a policy describing how they will respond to public records request.
- Also the Township did not have a public records retention schedule on file, nor did the Township designate an employee to be the custodian.

We recommend the following:

- Township officials should attend the training and/or appoint a designee.
- The Township should adopt a public records request policy and retention schedule in accordance with the Ohio Revised Code. The records retention schedule and policy should be posted in a conspicuous place in the public office and should be included in any Township policy manuals and/or handbooks. They also should designate an employee as custodian. This will ensure compliance with the Revised Code and that the public is amply notified.

FINDING NUMBER 2013-003

Material Weakness – Budgetary Information - UAN

Accurate budgetary information within the Township's accounting system is pertinent to ensure that the Township has accurate and complete information for decision-making processes. Budgetary information entered into the accounting system does not match amounts per the appropriations received from the County. The amount recorded in the Appropriation Status Report 2013 for the Gas Tax Fund and in 2012 the Cemetery Fund did not agree to the amount on the formally adopted appropriations. The 2013 Appropriation Status Report recorded appropriation of \$124,600 however, the adopted Appropriation filed with County Auditor reflected \$106,600 for the Gas Tax Fund. The 2012 Appropriation Status Report recorded appropriation of \$23,280 however, the adopted Appropriation filed with County Auditor reflected \$22,280 for the Cemetery Fund.

The Township should implement the appropriate procedures, such as ensuring minutes include accurate information on budgetary amendments and reconciling budgetary information within the accounting system to formally approved budgets, to ensure that budgetary information is presented accurately and completely.

**YORK TOWNSHIP
UNION COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2013 AND 2012
(Continued)**

FINDING NUMBER 2013-004

Material Weakness - Cash Reconciliation

In order to ensure the completeness and accuracy of the Township's accounting records, an adequate system of internal controls requires that monthly reconciliations be performed between the fund ledgers and bank depository. To be effective, these reconciliations should include a thorough investigation and follow-up of all significant reconciling items.

The process allows you to determine if all items have been recorded and match the postings by the bank at the same amounts. If there is a discrepancy, this can be corrected fairly quickly. The accuracy of the transactions within the system allows the Trustees to have an accurate and up to date information to make the best decisions for the government.

If information being recorded is incorrect, then Trustees cannot make good financial decisions in order to run their Township appropriately. If sound decisions cannot be made, then public dollars could be misspent. Misspending funds, even unintentionally, could result in deficit fund balances or audit adjustments, both of which could lead the entity being declared in fiscal caution and possibly fiscal watch or fiscal emergency.

The following deficiencies and reconciling items were noted in the Township's monthly cash reconciliations:

- During the period tested, we noted the Township did not perform monthly (regular) reconciliations on a monthly basis. We noted during our review that all of the 2012 reconciliations were not completed until February 7, 2012. We also noted the 2013 reconciliations were not completed until February 28, 2014.
- The Township utilizes the Uniform Accounting System (UAN) for processing their transactions. The UAN system has built in controls which prevent the Township from entering transactions for the succeeding month if the Township does not reconcile the preceding month. The Fiscal Officer had adjustments included on the reconciliations for receipts received but not properly posted to the system until the following month of varying amounts such as \$135,349, March 2012, \$46,083, April 2012, \$16,963, May 2012, and \$16,992 on the June 2012 reconciliation and so forth in order to override the system and allow the succeeding months transactions to be entered.
- The reconciliation had outstanding checks as far back as 2006 in the amount of \$2,944.

As a result of these conditions, errors, irregularities, or misappropriation of assets may occur and not be detected within a timely period.

**YORK TOWNSHIP
UNION COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2013 AND 2012
(Continued)**

FINDING NUMBER 2013-004 – (continued)

We recommend the Fiscal Officer perform timely reconciliations on a monthly basis. Any deficiencies or reconciling items should immediately be investigated and rectified. Any outstanding checks over a year old should be moved to unclaimed funds in the Agency Fund for a period of five years. After 5 years the money is placed in the general fund and can be spent by the Township. We also recommend the Fiscal Officer post the Township transactions in a timely manner.

The Trustees should insure bank reconciliations are reconciled to the UAN system on a monthly basis. The Township Trustees should closely monitor the reconciliation process by reviewing and follow-up on any deficiencies or reconciling items.

Officials' Response: We will attempt to take the necessary steps to correct these findings.



Dave Yost • Auditor of State

YORK TOWNSHIP

UNION 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 02, 2014