



Dave Yost • Auditor of State

**POLAND TOWNSHIP
MAHONING COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2010.....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Proprietary and Fiduciary Fund Types - For the Year Ended December 31, 2010.....	6
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2009.....	7
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Proprietary and Fiduciary Fund Types - For the Year Ended December 31, 2009.....	8
Notes to the Financial Statements	9
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	15

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Dave Yost • Auditor of State

Poland Township
Mahoning County
3339 Dobbins Road
Poland, Ohio 44514

To the Township 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 12, 2011

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Poland Township
Mahoning County
3339 Dobbins Road
Poland, Ohio 44514

To the Board of Trustees:

We have audited the accompanying financial statements of Poland Township, Mahoning County, (the "Township") as of and for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. 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 and reserves for encumbrances of Poland Township, Mahoning 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 12, 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 12, 2011

**POLAND TOWNSHIP
MAHONING 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>	
Cash Receipts:			
Property and Other Local Taxes	\$515,439	\$877,628	\$1,393,067
Charges for Services	4,019	1,743	5,762
Licenses, Permits, and Fees	391,823	97,823	489,646
Fines and Forfeitures	19,092		19,092
Intergovernmental	255,324	347,039	602,363
Special Assessments		76,634	76,634
Earnings on Investments	10,643	584	11,227
Miscellaneous	11,366	450	11,816
	<u>1,207,706</u>	<u>1,401,901</u>	<u>2,609,607</u>
Total Cash Receipts			
	<u>1,207,706</u>	<u>1,401,901</u>	<u>2,609,607</u>
Cash Disbursements:			
Current:			
General Government	554,653	46,058	600,711
Public Safety	603,773	590,119	1,193,892
Public Works	35,164	633,648	668,812
Health	2,500	4,350	6,850
Conservation - Recreation		7,454	7,454
Other		30,715	30,715
Capital Outlay	12,800		12,800
	<u>1,208,890</u>	<u>1,312,344</u>	<u>2,521,234</u>
Total Cash Disbursements			
	<u>1,208,890</u>	<u>1,312,344</u>	<u>2,521,234</u>
Total Receipts Over/(Under) Disbursements	<u>(1,184)</u>	<u>89,557</u>	<u>88,373</u>
Other Financing Receipts / (Disbursements):			
Sale of Fixed Assets		6,474	6,474
Transfers-In		10,000	10,000
Transfers-Out	(132,500)		(132,500)
Other Financing Uses	(3,200)		(3,200)
	<u>(135,700)</u>	<u>16,474</u>	<u>(119,226)</u>
Total Other Financing Receipts / (Disbursements)			
	<u>(135,700)</u>	<u>16,474</u>	<u>(119,226)</u>
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	<u>(136,884)</u>	<u>106,031</u>	<u>(30,853)</u>
Fund Cash Balances, January 1	<u>1,976,476</u>	<u>400,859</u>	<u>2,377,335</u>
Fund Cash Balances, December 31	<u><u>\$1,839,592</u></u>	<u><u>\$506,890</u></u>	<u><u>\$2,346,482</u></u>
Reserve for Encumbrances, December 31		<u><u>\$22,500</u></u>	<u><u>\$22,500</u></u>

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

**POLAND TOWNSHIP
MAHONING COUNTY**

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

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Types</u>	<u>Totals (Memorandum Only)</u>
	<u>Internal Service</u>	<u>Private Purpose Trust</u>	
Operating Cash Receipts:			
Operating Cash Receipts	\$0	\$0	\$0
Total Operating Cash Receipts			
Operating Cash Disbursements:			
Employee Fringe Benefits	72,564		72,564
Total Operating Cash Disbursements	72,564		72,564
Operating Income/(Loss)	(72,564)		(72,564)
Non-Operating Cash Receipts:			
Earnings on Investments		23	23
Other Non-Operating Cash Receipts	1,054		1,054
Total Non-Operating Cash Receipts	1,054	23	1,077
Non-Operating Cash Disbursements:			
Non-Operating Cash Disbursements			
Total Non-Operating Cash Disbursements	0	0	0
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(71,510)	23	(71,487)
Transfers-In	122,500		122,500
Net Receipts Over/(Under) Disbursements	50,990	23	51,013
Fund Cash Balances, January 1	11,915	1,971	13,886
Fund Cash Balances, December 31	\$62,905	\$1,994	\$64,899

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

**POLAND TOWNSHIP
MAHONING 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>	
Cash Receipts:			
Property and Other Local Taxes	\$503,758	\$856,165	\$1,359,923
Charges for Services	11,684	1,738	13,422
Licenses, Permits, and Fees	367,585	118,481	486,066
Fines and Forfeitures	20,255		20,255
Intergovernmental	316,868	326,587	643,455
Special Assessments		73,167	73,167
Earnings on Investments	28,223	533	28,756
Miscellaneous	139,279	1,700	140,979
	<u>1,387,652</u>	<u>1,378,371</u>	<u>2,766,023</u>
Total Cash Receipts			
	<u>1,387,652</u>	<u>1,378,371</u>	<u>2,766,023</u>
Cash Disbursements:			
Current:			
General Government	551,874	62,467	614,341
Public Safety	636,676	623,098	1,259,774
Public Works		721,371	721,371
Health		15,030	15,030
Conservation - Recreation		14,654	14,654
Other		43,208	43,208
Capital Outlay	75,464		75,464
	<u>1,264,014</u>	<u>1,479,828</u>	<u>2,743,842</u>
Total Cash Disbursements			
	<u>1,264,014</u>	<u>1,479,828</u>	<u>2,743,842</u>
Total Receipts Over/(Under) Disbursements	<u>123,638</u>	<u>(101,457)</u>	<u>22,181</u>
Other Financing Receipts / (Disbursements):			
Transfers-In		4,203	4,203
Transfers-Out	(59,983)		(59,983)
Advances-In	146,250	151,250	297,500
Advances-Out	(151,250)	(146,250)	(297,500)
	<u>(64,983)</u>	<u>9,203</u>	<u>(55,780)</u>
Total Other Financing Receipts / (Disbursements)			
	<u>(64,983)</u>	<u>9,203</u>	<u>(55,780)</u>
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	58,655	(92,254)	(33,599)
Fund Cash Balances, January 1	<u>1,917,821</u>	<u>493,113</u>	<u>2,410,934</u>
Fund Cash Balances, December 31	<u><u>\$1,976,476</u></u>	<u><u>\$400,859</u></u>	<u><u>\$2,377,335</u></u>
Reserve for Encumbrances, December 31	<u><u></u></u>	<u><u>\$21,000</u></u>	<u><u>\$21,000</u></u>

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

**POLAND TOWNSHIP
MAHONING COUNTY**

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

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Types</u>	<u>Totals (Memorandum Only)</u>
	<u>Internal Service</u>	<u>Private Purpose Trust</u>	
Operating Cash Receipts:			
Operating Cash Receipts	\$0	\$0	\$0
Total Operating Cash Receipts			
Operating Cash Disbursements:			
Employee Fringe Benefits	60,645		60,645
Total Operating Cash Disbursements	60,645		60,645
Operating Income/(Loss)	(60,645)		(60,645)
Non-Operating Cash Receipts:			
Earnings on Investments		23	23
Total Non-Operating Cash Receipts		23	23
Non-Operating Cash Disbursements:			
Non-Operating Cash Disbursements			
Total Non-Operating Cash Disbursements			
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(60,645)	23	(60,622)
Transfers-In	55,780		55,780
Net Receipts Over/(Under) Disbursements	(4,865)	23	(4,842)
Fund Cash Balances, January 1	16,780	1,948	18,728
Fund Cash Balances, December 31	<u>\$11,915</u>	<u>\$1,971</u>	<u>\$13,886</u>

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

**POLAND TOWNSHIP
MAHONING 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 Poland Township, Mahoning County, (the "Township") as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, and police protection. The Township contracts with the Western Reserve Joint Fire District to provide fire services.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Township values U.S. Savings Bonds and repurchase agreements 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:

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

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

**POLAND TOWNSHIP
MAHONING COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Police District Fund - This fund receives local tax money and monies from fines, forfeitures and fees to pay for police protection for the township.

3. 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:

Health Reimbursement Fund – This fund accounts for the Board's contribution to health reimbursements for each employee.

4. 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 fund is for the benefit of certain cemetery lots.

The Township had no Agency Funds.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the 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. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

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

A summary of 2010 and 2009 budgetary activity appears in Note 3.

**POLAND TOWNSHIP
MAHONING COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

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	\$90,212	\$26,820
Certificates of deposit		
Other time deposits (savings and NOW accounts)		
Total deposits	90,212	26,820
Repurchase agreement	2,319,669	2,362,901
Savings Bonds	1,500	1,500
Total investments	2,321,169	2,364,401
Total deposits and investments	\$2,411,381	\$2,391,221

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

Investments: U.S. Savings Bonds are held in book-entry form by the Federal Reserve, in the name of the Township. The Township's financial institution transfers securities to the Township's agent to collateralize repurchase agreements. The securities are not in the Township's name.

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	\$1,212,519	\$1,207,706	(\$4,813)
Special Revenue	1,352,899	1,418,375	65,476
Internal Service	0	123,554	123,554
Trust	0	23	23
Total	\$2,565,418	\$2,749,658	\$184,240

**POLAND TOWNSHIP
MAHONING COUNTY**

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

3. BUDGETARY ACTIVITY – (Continued)

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,406,020	\$1,344,590	\$61,430
Special Revenue	1,399,590	1,334,844	64,746
Internal Service	135,880	72,564	63,316
Trust	0	0	0
Total	<u>\$2,941,490</u>	<u>\$2,751,998</u>	<u>\$189,492</u>

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,274,221	\$1,387,652	\$113,431
Special Revenue	1,397,459	1,382,574	(14,885)
Internal Service	60,000	55,780	(4,220)
Trust	25	23	(2)
Total	<u>\$2,731,705</u>	<u>\$2,826,029</u>	<u>\$94,324</u>

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,486,850	\$1,323,997	\$162,853
Special Revenue	1,650,625	1,500,828	149,797
Internal Service	72,000	60,645	11,355
Trust	0	0	0
Total	<u>\$3,209,475</u>	<u>\$2,885,470</u>	<u>\$324,005</u>

4. PROPERTY TAX

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

5. RETIREMENT SYSTEMS

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 the plan's benefits, which include postretirement healthcare and survivor and disability benefits.

**POLAND TOWNSHIP
MAHONING COUNTY**

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

5. RETIREMENT SYSTEMS – (Continued)

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. For 2010 and 2009, law enforcement OPERS members contributed 11.10% and 10.10%, respectively, of their gross salaries and the Township contributed an amount equaling 17.87% and 17.63%, respectively, of participants' gross salaries. The Township has paid all contributions required through December 31, 2010.

6. RISK MANAGEMENT

Prior to 2009, the Government belonged to the Ohio Government Risk Management Plan (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan was legally separate from its member governments.

On January 1, 2009, through an internal reorganization, the Plan created three separate non-profit corporations including:

- Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Risk Management Plan;
- Ohio Plan Healthcare Consortium, Inc. (OPHC) - formerly known as the Ohio Healthcare Consortium; and
- Ohio Plan, Inc. - mirrors the oversight function previously performed by the Board of Directors. The Board of Trustees consists of eleven (11) members that include appointed and elected officials from member organizations.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

These coverage programs, referred to as Ohio Plan Risk management ("OPRM"), are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 40% (17.5% through October 31, 2010 and 15% through October 31, 2009) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 761 and 725 members as of December 31, 2010 and 2009 respectively. The Township participates in this coverage.

The Plan formed the Ohio Plan Healthcare Consortium ("OPHC"), as authorized by Section 9.833 of the Ohio Revised Code. The OPHC was established to provide cost effective employee benefit programs for Ohio political sub-divisions and is a self-funded, group purchasing consortium that offers medical, dental, vision and prescription drug coverage as well as life insurance for its members. The OPHC is sold through seventeen appointed independent agents in the State of Ohio. Coverage programs are developed specific to each member's healthcare needs and the related premiums for coverage are determined through the application of uniform underwriting criteria. Variable plan options are available to members. These plans vary primarily by deductibles, coinsurance levels, office visit co-pays and out-of pocket maximums. OPHC had 65 and 60 members as of December 31, 2010 and 2009 respectively. The Township does not participate in this coverage.

**POLAND TOWNSHIP
MAHONING COUNTY**

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

6. RISK MANAGEMENT – (Continued)

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31: 2010 and 2009, and include amounts for both OPRM and OPHC:

	2010		2009	
	OPRM	OPHC	OPRM	OPHC
Assets	\$12,036,541	\$1,355,131	\$11,176,186	\$1,358,802
Liabilities	(4,845,056)	(1,055,096)	(4,852,485)	(1,253,617)
Members' Equity	\$7,191,485	\$300,035	\$6,323,701	\$105,185

You can read the complete audited financial statements for OPRM and OPHC at the Plan's website, www.ohioplan.org.

7. CONTINGENT LIABILITIES

The Township is a defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Township's financial condition.



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*

Poland Township
Mahoning County
3339 Dobbins Road
Poland, Ohio 44514

To the Township Board of Trustees:

We have audited the financial statements of Poland Township (the "Township") as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated September 12, 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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State

September 12, 2011



Dave Yost • Auditor of State

POLAND TOWNSHIP

MAHONING 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
OCTOBER 4, 2011