



Dave Yost • Auditor of State

YORK TOWNSHIP
FULTON COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Combined Statement of Receipts, Disbursements, and Changes in Fund Cash Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2014	3
Statement of Receipts, Disbursements, and Changes in Fund Cash Balances (Cash Basis) - Proprietary and Fiduciary Fund Types - For the Year Ended December 31, 2014	4
Combined Statement of Receipts, Disbursements, and Changes in Fund Cash Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2013	5
Statement of Receipts, Disbursements, and Changes in Fund Cash Balances (Cash Basis) - Proprietary and Fiduciary Fund Types - For the Year Ended December 31, 2013	6
Notes to the Financial Statements	7
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	15
Schedule of Findings	17
Schedule of Prior Audit Findings	19

This page intentionally left blank.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

York Township
Fulton County
6955 County Road FG
Delta, Ohio 43515-9328

To the Board of Trustees:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions 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 1 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section

117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2015, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Dave Yost
Auditor of State

Columbus, Ohio

September 22, 2015

**YORK TOWNSHIP
FULTON COUNTY**

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

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$87,894	\$204,151		\$292,045
Charges for Services		536,303		536,303
Licenses, Permits and Fees		4,953		4,953
Intergovernmental	53,196	127,228		180,424
Earnings on Investments	320	52		372
Miscellaneous	33,966	3,357		37,323
<i>Total Cash Receipts</i>	<u>175,376</u>	<u>876,044</u>		<u>1,051,420</u>
Cash Disbursements				
Current:				
General Government	222,285	600,786		823,071
Public Safety		239,845		239,845
Public Works		2,815		2,815
Other		2,228		2,228
Capital Outlay	537	62,377		62,914
Debt Service:				
Principal Retirement		24,999		24,999
Interest and Fiscal Charges		1,937		1,937
<i>Total Cash Disbursements</i>	<u>222,822</u>	<u>934,987</u>		<u>1,157,809</u>
<i>Excess of Disbursements Over Receipts</i>	<u>(47,446)</u>	<u>(58,943)</u>		<u>(106,389)</u>
Other Financing Disbursements				
Transfers Out	<u>(15,000)</u>			<u>(15,000)</u>
<i>Net Change in Fund Cash Balances</i>	(62,446)	(58,943)		(121,389)
<i>Fund Cash Balances, January 1</i>	<u>136,401</u>	<u>950,266</u>	<u>\$2,500</u>	<u>1,089,167</u>
Fund Cash Balances, December 31				
Restricted		338,860	2,500	341,360
Committed		552,463		552,463
Assigned	51,763			51,763
Unassigned	22,192			22,192
<i>Fund Cash Balances, December 31</i>	<u>\$73,955</u>	<u>\$891,323</u>	<u>\$2,500</u>	<u>\$967,778</u>

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

**YORK TOWNSHIP
FULTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Internal Service	Private Purpose Trust	(Memorandum Only)
Operating Cash Receipts			
Earnings on Investments		\$1	\$1
Operating Cash Disbursements			
Employee Fringe Benefits	\$14,584		14,584
<i>Operating Income (Loss)</i>	(14,584)	1	(14,583)
Transfers In	15,000		15,000
<i>Net Change in Fund Cash Balances</i>	416	1	417
<i>Fund Cash Balances, January 1</i>	1,855	1,957	3,812
<i>Fund Cash Balances, December 31</i>	<u>\$2,271</u>	<u>\$1,958</u>	<u>\$4,229</u>

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

**YORK TOWNSHIP
FULTON 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	\$86,620	\$200,070		\$286,690
Charges for Services		527,501		527,501
Licenses, Permits and Fees		5,794		5,794
Intergovernmental	117,227	126,859		244,086
Earnings on Investments	332	58		390
Miscellaneous	35,227	13,144		48,371
<i>Total Cash Receipts</i>	<u>239,406</u>	<u>873,426</u>		<u>1,112,832</u>
Cash Disbursements				
Current:				
General Government	212,930			212,930
Public Safety		468,319		468,319
Public Works	35,000	171,953		206,953
Health		4,614		4,614
Other		2,234		2,234
Capital Outlay		43,934		43,934
Debt Service:				
Principal Retirement		37,029		37,029
Interest and Fiscal Charges		3,125		3,125
<i>Total Cash Disbursements</i>	<u>247,930</u>	<u>731,208</u>		<u>979,138</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(8,524)</u>	<u>142,218</u>		<u>133,694</u>
Other Financing Disbursements				
Transfers Out	(5,000)			(5,000)
<i>Net Change in Fund Cash Balances</i>	(13,524)	142,218		128,694
<i>Fund Cash Balances, January 1</i>	<u>149,925</u>	<u>808,048</u>	<u>\$2,500</u>	<u>960,473</u>
Fund Cash Balances, December 31				
Restricted		369,122	2,500	371,622
Committed		581,144		581,144
Assigned	102,725			102,725
Unassigned	33,676			33,676
<i>Fund Cash Balances, December 31</i>	<u>\$136,401</u>	<u>\$950,266</u>	<u>\$2,500</u>	<u>\$1,089,167</u>

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

**YORK TOWNSHIP
FULTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Internal Service	Private Purpose Trust	(Memorandum Only)
Operating Cash Disbursements			
Employee Fringe Benefits	\$5,060		\$5,060
<i>Operating Loss</i>	(5,060)		(5,060)
Transfers In	5,000		5,000
<i>Net Change in Fund Cash Balances</i>	(60)		(60)
<i>Fund Cash Balances, January 1</i>	1,915	\$1,957	3,872
<i>Fund Cash Balances, December 31</i>	<u>\$1,855</u>	<u>\$1,957</u>	<u>\$3,812</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, 2014 AND 2013**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of 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 the Ohio Township Association Risk Management Authority, 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 permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

C. Deposits and Investments

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

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 accounts for and reports all financial resources not accounted for and reported in another fund.

**YORK TOWNSHIP
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

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 Fund:

Emergency Medical Service (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 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 Fund:

EMS Grant Fund - The Township received a grant from the State of Ohio to purchase equipment for its emergency medical service.

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 revenues 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 (except certain agency funds) be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

YORK TOWNSHIP
FULTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)

2. Estimated Resources

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

3. Encumbrances

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

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

F. Fund Balance

Fund balance is divided into 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.

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

**YORK TOWNSHIP
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

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

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

G. Property, Plant, and Equipment

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

H. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. Equity in Pooled Deposits and Investments

The Township maintains a deposit and investment 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:

	2014	2013
Demand deposits	\$472,062	\$593,253
U.S. Savings Bond	500	500
STAR Ohio	499,445	499,226
Total investments	499,945	499,726
Total deposits and investments	\$972,007	\$1,092,979

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.

3. Budgetary Activity

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

**YORK TOWNSHIP
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

2014 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$177,761	\$175,376	(\$2,385)
Special Revenue	863,011	876,044	13,033
Internal Service	15,000	15,000	
Private Purpose Trust	5	1	(4)
Total	\$1,055,777	\$1,066,421	\$10,644

2014 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$280,486	\$237,822	\$42,664
Special Revenue	1,811,300	969,008	842,292
Capital Projects	2,500		2,500
Internal Service	6,855	14,584	(7,729)
Private Purpose Trust	1,845		1,845
Total	\$2,102,986	\$1,221,414	\$881,572

2013 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$201,717	\$239,406	\$37,689
Special Revenue	875,152	873,426	(1,726)
Capital Projects	15,018		(15,018)
Internal Service	5,000	5,000	
Private Purpose Trust	15		(15)
Total	\$1,096,902	\$1,117,832	\$20,930

2013 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$351,642	\$252,930	\$98,712
Special Revenue	1,683,200	731,208	951,992
Capital Projects	17,518		17,518
Internal Service	6,410	5,060	1,350
Total	\$2,058,770	\$989,198	\$1,069,572

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

**YORK TOWNSHIP
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

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.

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

5. Debt

In 2013 and 2014, the Township has retired all debt issues from prior years.

The Ohio Public Works Commission (OPWC) loan which began in 2004 and used to finance a portion of the Road C project costs was retired in 2013.

The \$230,000 lease-purchase agreement with the Ohio Township Association (OTA) Leasing used to refinance a loan for the construction of the Township Administration/EMS building was retired in 2014.

6. Retirement Systems

Ohio Public Employees Retirement System

The Township's officials and 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 2014 and 2013, 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, 2014.

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the Ohio Public Employees Retirement System must have Social Security withheld. In 2014 and 2013, the volunteer fire department members had Social Security withheld. The contribution rate for 2014 and 2013 was 6.2% of wages.

7. Risk Management

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formally known as American Risk Pooling Consultants, Inc.) (York or Management), functions as the administrator of the Pool and provides underwriting claims, loss control, risk management, and reinsurance services for the Pool.

**YORK TOWNSHIP
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

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

The aforementioned casualty and property reinsurance agreement does not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2013 and 2014:

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

At December 31, 2013 and 2014, respectively, the liabilities above include approximately \$7.9 and \$8.2 million of estimated incurred claims payable. The assets above also include approximately \$7.4 and \$7.2 million of unpaid claims to be billed to approximately 957 member governments in the future, as of December 31, 2013 and 2014, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2014, the Township's share of these unpaid claims collectible in future years is approximately \$11,000.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>Contributions to OTARMA</u>	
<u>2013</u>	<u>2014</u>
\$26,809	\$21,305

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

**YORK TOWNSHIP
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

8. Miscellaneous Receipts

In 2014 and 2013, General fund Miscellaneous Receipts primarily consisted of tax incentive payments from two businesses within the Township and several insurance refunds. The tax incentive payments totaled \$24,809 in each year. The insurance refunds totaled \$6,040 and \$8,915 for 2014 and 2013, respectively.

9. Interfund Transfers

The General Fund transferred \$15,000 in 2014 and \$5,000 in 2013 to the Self-funded Health Insurance Fund to provide additional resources. Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The monies were used pay medical claims for officials and employees enrolled in the Township's health insurance plan.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S 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
Delta, Ohio 43515-9328

To the Board of Trustees:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of York Township, Fulton County, Ohio, (the Township) as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements and have issued our report thereon dated September 22, 2015 wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

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 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 2014-001 and 2014-002 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

September 22, 2015

YORK TOWNSHIP
FULTON COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013

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

FINDING NUMBER 2014-001

Material Weakness - Fund Balance Classification

Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, introduces five fund balance classifications and clarifies the existing governmental fund type definitions.

“Assigned” fund balances include amounts that are constrained by the government’s intent to be used for specific purposes but are neither restricted nor committed. When appropriation measures are adopted for the subsequent year, if a portion of existing fund balance is included as a budgetary resource (appropriated for general fund uses or appropriations exceed estimated receipts), then that portion of fund balance should be classified as assigned. In 2014, the General fund had appropriations of \$280,486 and estimated revenues of \$177,761 thereby assigning \$102,725 of the reported 2013 unassigned ending fund balance. In 2015, the General fund had appropriations of \$260,895 and estimated revenues of \$209,132 thereby assigning \$51,763 of the reported 2014 unassigned ending fund balance.

Special revenue funds are defined as funds used to 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.

Restricted revenues included those where constraints have been placed on the use by either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments (i.e., State Statutes); or (b) imposed by law through constitutional provisions or enabling legislation.

Committed revenues include amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority (such as an ordinance or resolution).

Revenue sources for the EMS and Fire funds which are payments from contractual service agreements and the Road and Bridge fund which is a property tax levy from inside millage were reported as restricted. The Board of Trustees, by resolution, committed these revenue sources for EMS, Fire and Road and Bridge purposes. The following fund balances were adjusted to “committed” from “restricted”

	12/31/2014	12/31/2013
EMS fund	\$169,264	\$253,170
Fire fund	219,455	195,575
Road and Bridge fund	163,744	132,399

These errors occurred as a result of a lack of understanding of GASB 54 requirements. Audit adjustments have been made to the financial statements to properly report the year end fund balances as assigned and committed.

In order to ensure the Township’s governmental fund balances are reported in accordance with GASB 54, we recommend the Township review Auditor of State Bulletin 2011-004.

FINDING NUMBER 2014-002

Material Weakness - Financial Reporting

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

Due to the lack of final review of the 2013 financial statements, a payment totaling \$35,000 made for the paving of Township roads was made from the General fund and was posted as capital outlay expenditures rather than public works expenditures.

An adjustment was recorded in the accompanying financial statements to correct this error.

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.

Officials' Response:

We did not receive a response from Officials to the findings reported above.

**YORK TOWNSHIP
FULTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2014 AND 2013**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2012-001	Material weakness due to errors in financial reporting.	No	Not corrected and reissued as a Finding 2014-002.
2012-002	Ohio Rev. Code §5705.10 due to posting certain expenditures to an incorrect fund.	Yes	
2012-003	Material weakness due to incorrect fund balance classifications per GASB 54.	No	Not corrected and reissued as Finding 2014-001.

This page intentionally left blank.



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
OCTOBER 13, 2015**