



# MAILLIE, FALCONIERO & COMPANY, LLP

*Certified Public Accountants and Business Counselors*

www.maillie.com

PO Box 680  
Oaks, PA 19456-0680  
610-935-1420  
Fax: 610-935-1632

D. Scott Detar  
John J. Crenny, Jr.  
Frank L. Pellegrini  
James M. Powers  
Glenn B. Bachman  
Raymond T. Mock  
Robert L. Caruso  
Edward J. Furman  
Robert L. Boland  
Robert M. Manero  
Donald J. Pierce

September 27, 2010

To the Members of the Board  
City of York General Authority  
York, Pennsylvania

We have audited the financial statements of the City of York General Authority (a component unit of the City of York, Pennsylvania) for the year ended December 31, 2009. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 15, 2010. Professional standards also require that we communicate to you the following information related to our audit.

## SIGNIFICANT AUDIT FINDINGS

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of York General Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Depreciation and fixed asset life on assets capitalized in the financial statements. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.



To the Members of the Board  
City of York General Authority

- 2 -

September 27, 2010

**Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

**Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

1. To reverse entry to record receivable from the County, which should not have been booked as the cost required to meet the qualifications of the memorandum of agreement were not incurred in 2009. \$ 283,000

**Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

**Management Representations**

We have requested certain representations from management that are included in the management representation letter dated September 20, 2010.

**Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.



To the Members of the Board  
City of York General Authority

- 3 -

September 27, 2010

**Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the members of the Board and management of the City of York General Authority and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

MAILLIE, FALCONIERO & COMPANY, LLP  
*Certified Public Accountants and  
Business Counselors*