



**YORK TOWNSHIP  
BELMONT COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



YORK TOWNSHIP  
BELMONT COUNTY

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## REPORT OF INDEPENDENT ACCOUNTANTS

York Township  
Belmont County  
55850 Little Captina Road  
Powhatan Point, Ohio 43942

To the Board of Trustees:

We have audited the accompanying financial statements of York Township, Belmont County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of York Township, Belmont County, as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2001, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the audit committee, management, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

May 11, 2001

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YORK TOWNSHIP  
BELMONT COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Project	
<b>Cash Receipts:</b>				
Taxes	\$16,195	\$46,207	\$	\$62,402
Intergovernmental	79,305	67,344		146,649
Special Assessments	483			483
Earnings on Investments	1,133	437		1,570
Other Revenue	285			285
<b>Total Cash Receipts</b>	<u>97,401</u>	<u>113,988</u>	<u>0</u>	<u>211,389</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	82,251			82,251
Public Safety	120	24,513		24,633
Public Works	2,875	79,786		82,661
Health	4,135			4,135
Capital Outlay		9,651	204	9,855
Debt Service:				
Redemption of Principal	4,825	9,134		13,959
Interest and Fiscal Charges	703	2,259		2,962
<b>Total Cash Disbursements</b>	<u>94,909</u>	<u>125,343</u>	<u>204</u>	<u>220,456</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<u>2,492</u>	<u>(11,355)</u>	<u>(204)</u>	<u>(9,067)</u>
<b>Fund Cash Balances, January 1</b>	<u>39,534</u>	<u>56,365</u>	<u>209</u>	<u>96,108</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$42,026</b></u>	<u><b>\$45,010</b></u>	<u><b>\$5</b></u>	<u><b>\$87,041</b></u>

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

**YORK TOWNSHIP  
BELMONT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Project	
<b>Cash Receipts:</b>				
Taxes	\$16,499	\$46,769	\$	\$63,268
Intergovernmental	67,105	63,281	15,188	145,574
Earnings on Investments	1,145	746		1,891
Other Revenue	5,000	1,062		6,062
<b>Total Cash Receipts</b>	<u>89,749</u>	<u>111,858</u>	<u>15,188</u>	<u>216,795</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	102,384	1,331		103,715
Public Safety	120	37,011		37,131
Public Works	2,895	67,900		70,795
Health	4,257			4,257
Capital Outlay	20,040	58,874	15,188	94,102
Debt Service:				
Redemption of Principal	3,826	2,946		6,772
Interest and Fiscal Charges	797	851		1,648
<b>Total Cash Disbursements</b>	<u>134,319</u>	<u>168,913</u>	<u>15,188</u>	<u>318,420</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(44,570)</u>	<u>(57,055)</u>	<u>0</u>	<u>(101,625)</u>
<b>Other Financing Receipts:</b>				
Proceeds from Sale of Public Debt:				
Sale of Notes	20,040	50,009		70,049
Other Financing Sources	100			100
<b>Total Other Financing Receipts</b>	<u>20,140</u>	<u>50,009</u>	<u>0</u>	<u>70,149</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	(24,430)	(7,046)	0	(31,476)
Fund Cash Balances, January 1	63,964	63,411	209	127,584
<b>Fund Cash Balances, December 31</b>	<u><b>\$39,534</b></u>	<u><b>\$56,365</b></u>	<u><b>\$209</b></u>	<u><b>\$96,108</b></u>

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



**YORK TOWNSHIP  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

York Township, Belmont County (the Township), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance, cemetery maintenance, fire protection, and emergency medical services (public safety). The Township contracts with the Village of Powhatan Point to provide fire and emergency services.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Fund Accounting**

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

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

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

Motor Vehicle License Tax Fund - This fund receives motor vehicle license tax money for constructing, maintaining and repairing Township roads.

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

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

Fire and Emergency Service Special Levy Fund - This fund receives property tax money to provide fire and ambulance services to residents of the Township.

**YORK TOWNSHIP  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Fund Accounting (Continued)**

**3. Capital Project Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant Capital Project Fund:

Issue II Fund - The Township received proceeds of Ohio Public Works Commission grant monies through Belmont County to be used for the repair of Township roads.

**D. 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. Appropriations lapse at year end.

**2. Estimated Resources**

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

**3. Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

**E. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**YORK TOWNSHIP  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Unpaid Sick Leave**

Employees are entitled to cash payments for unused sick leave in certain circumstances, such as upon leaving employment. Unpaid sick leave is not reflected as a liability under the basis of accounting used by the Township.

**2. EQUITY IN POOLED CASH**

The Township maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	<u>\$87,041</u>	<u>\$96,108</u>

**Deposits:** Deposits are either (1) insured by the Federal Deposit Insurance Corporation, or (2) collateralized by securities specifically pledged by the financial institution to the Township.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2000 and 1999, follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$80,257	\$97,401	\$17,144
Special Revenue	106,714	113,988	7,274
Total	<u>\$186,971</u>	<u>\$211,389</u>	<u>\$24,418</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$104,427	\$94,909	\$9,518
Special Revenue	147,344	125,343	22,001
Capital Projects	209	204	5
Total	<u>\$251,980</u>	<u>\$220,456</u>	<u>\$31,524</u>

**YORK TOWNSHIP  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$79,205	\$109,889	\$30,684
Special Revenue	102,874	161,867	58,993
Capital Projects	0	15,188	15,188
Total	\$182,079	\$286,944	\$104,865

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$155,273	\$134,319	\$20,954
Special Revenue	140,089	168,913	(28,824)
Capital Projects	209	15,188	(14,979)
Total	\$295,571	\$318,420	(\$22,849)

At December 31, 1999, the Township had expenditures which exceeded appropriations in the Road and Bridge and Issue II Funds.

**4. PROPERTY TAX**

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

Public utilities are also taxed on personal and real property located within the Township.

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

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

**YORK TOWNSHIP  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**5. DEBT**

Debt outstanding at December 31, 2000, was as follows:

	Principal	Interest Rate
General Obligation Notes	\$49,297	5-5.25%

The general obligation notes were issued to finance the purchase of a new truck and grader to be used for Township road maintenance. The notes are collateralized solely by the Township's taxing authority.

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

Year ending December 31:	General Obligation Notes
2001	\$16,941
2002	16,941
2003	12,319
2004	7,596
Total	\$53,797

**6. RETIREMENT SYSTEMS**

Township employees, as well as the Trustees and Clerk, belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. For the period July 1, 2000 through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

**7. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Public officials' liability
- Vehicles
- Errors and omissions

The Township also provides health insurance coverage to full-time employees and elected officials through a private carrier.

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## REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

York Township  
Belmont County  
55850 Little Captina Road  
Powhatan Point, Ohio 43942

To the Board of Trustees:

We have audited the accompanying financial statements of York Township, Belmont County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 11, 2001. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2000-41007-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated May 11, 2001.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Township's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings as item 2000-41007-002.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe the reportable condition described above to be a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated May 11, 2001.

York Township  
Belmont County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

This report is intended for the information and use of the audit committee, management, and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

May 11, 2001



**YORK TOWNSHIP  
BELMONT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2000 AND 1999**

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

**FINDING NUMBER 2000-41007-001**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.41 (B) states no subdivision or taxing unit shall make any expenditure of money unless it has been appropriated.

As of December 31, 1999, the Road and Bridge Fund disbursements exceeded appropriations by \$44,246, and the Issue II Fund disbursements exceeded appropriations by \$14,979.

We recommend the Clerk deny payment requests exceeding appropriations. The Clerk may request the Board to approve increased expenditure levels by increasing appropriations and estimated resources; if necessary.

**FINDING NUMBER 2000-41007-002**

**Reportable Condition - Proper Accounting for On-Behalf-Of Payments**

Auditor of State Bulletin 2000-08 provides guidelines for the proper accounting of payments where the local government enters into an on-behalf-of program agreement with another local government or the State (or the federal government, if applicable), whereby the local government or its residents are the beneficiaries under the agreement, the cash value benefit of the program received under the agreement should be recorded as memorandum receipts and disbursements in the year on-behalf-of disbursements are made.

The Township was the beneficiary of Ohio Public Works Commission payments (Issue II funding) through Belmont County amounting to \$15,188 in 1999 which was paid directly to the vendor by Belmont County. Audit adjustments agreed to by the client were required to properly present receipts and expenditures within the Township's financial statements.

We recommend the Clerk review Auditor of State Bulletin 2000-08 and develop procedures to ensure proper accounting treatment of on-behalf-payments by recording all activity applicable to the Township within its ledgers.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**YORK TOWNSHIP**

**BELMONT 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  
JULY 31, 2001**