

**YORK TOWNSHIP  
MEDINA COUNTY, OHIO**

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





**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**  

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**JIM PETRO, AUDITOR OF STATE**

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Board of Trustees  
York Township  
Medina County, Ohio

We have reviewed the Independent Auditor's Report of York Township, Medina County, prepared by Rea & Associates, Inc., for the audit period January 1, 1999 to December 31, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. York Township is responsible for compliance with these laws and regulations.

**JIM PETRO**  
Auditor of State

July 11, 2001

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**YORK TOWNSHIP  
MEDINA COUNTY, OHIO**

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

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# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

May 29, 2001

Board of Trustees  
York Township  
Medina County, Ohio

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of York Township, Medina County, as of and for the years ended December 31, 2000 and 1999, as listed in the table of contents. These financial statements are the responsibility of the York 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 generally accepted auditing standards 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 the 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 described in Note 1, the Township, prepares its financial statements on the basis prescribed 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 cash and unencumbered balances of York Township, Medina County, as of December 31, 2000 and 1999, and the revenue it received and the expenditures it paid for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 29, 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 trustees, management and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

*Rea & Associates, Inc.*

**YORK TOWNSHIP  
MEDINA COUNTY, OHIO**

**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		Total (Memorandum Only)
	General	Special Revenue	
<b>CASH RECEIPTS:</b>			
Taxes	\$ 32,530	\$ 375,154	\$ 407,684
Licenses, Permits, and Fees	0	19,511	19,511
Fines and Forfeitures	405	0	405
Intergovernmental Receipts	94,630	111,454	206,084
Interest	55,112	3,246	58,358
All Other Revenue	3,781	8,633	12,414
Total Cash Receipts	<u>186,458</u>	<u>517,998</u>	<u>704,456</u>
<b>CASH DISBURSEMENTS:</b>			
General Government	103,083	29,243	132,326
Public Safety	0	120,489	120,489
Public Works	6,214	205,426	211,640
Health	0	25,083	25,083
Human Services	0	0	0
Capital Outlay	1,490	0	1,490
Total Cash Disbursements	<u>110,787</u>	<u>380,241</u>	<u>491,028</u>
Total Receipts Over (Under) Disbursements	75,671	137,757	213,428
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating Transfers - In	0	30,000	30,000
Operating Transfers - Out	(30,000)	0	(30,000)
Total Other Financing Sources (Uses)	<u>(30,000)</u>	<u>30,000</u>	<u>0</u>
Total of Receipts and Other Sources Over (Under Disbursements and Other Financing Uses)	45,671	167,757	213,428
Fund cash balances, beginning of year	<u>117,220</u>	<u>869,723</u>	<u>986,943</u>
<b>Fund cash balances, end of year</b>	<b>\$ 162,891</b>	<b>\$ 1,037,480</b>	<b>\$ 1,200,371</b>
Encumbrances	<u>23,408</u>	<u>462,731</u>	<u>486,139</u>
<b>Unencumbered cash balances, end of year</b>	<b>\$ <u>139,483</u></b>	<b>\$ <u>574,749</u></b>	<b>\$ <u>714,232</u></b>

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



**YORK TOWNSHIP  
MEDINA COUNTY, OHIO**

**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		Total (Memorandum Only)
	General	Special Revenue	
<b>CASH RECEIPTS:</b>			
Taxes	\$ 32,030	\$ 368,574	\$ 400,604
Licenses, Permits, and Fees	0	16,657	16,657
Fines and Forfeitures	141	0	141
Intergovernmental Receipts	121,822	158,435	280,257
Interest	47,728	1,023	48,751
All Other Revenue	3,415	5,261	8,676
Total Cash Receipts	<u>205,136</u>	<u>549,950</u>	<u>755,086</u>
<b>CASH DISBURSEMENTS:</b>			
General Government	108,513	22,004	130,517
Public Safety	0	122,004	122,004
Public Works	6,125	291,253	297,378
Health	0	28,174	28,174
Human Services	712	0	712
Capital Outlay	2,781	78,427	81,208
Total Cash Disbursements	<u>118,131</u>	<u>541,862</u>	<u>659,993</u>
Total Receipts Over (Under) Disbursements	87,005	8,088	95,093
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating Transfers - In	0	36,000	36,000
Operating Transfers - Out	(36,000)	0	(36,000)
Total Other Financing Sources (Uses)	<u>(36,000)</u>	<u>36,000</u>	<u>0</u>
Total of Receipts and Other Sources Over (Under Disbursements and Other Financing Uses)	51,005	44,088	95,093
Fund cash balances, beginning of year	<u>66,215</u>	<u>825,635</u>	<u>891,850</u>
<b>Fund cash balances, end of year</b>	<b>117,220</b>	<b>869,723</b>	<b>986,943</b>
Encumbrances	<u>7,058</u>	<u>21,863</u>	<u>28,921</u>
<b>Unencumbered cash balances, end of year</b>	<u><u>\$ 110,162</u></u>	<u><u>\$ 847,860</u></u>	<u><u>\$ 958,022</u></u>

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

**YORK TOWNSHIP  
MEDINA COUNTY, OHIO**

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

**NOTE 1: Summary of Significant Accounting Policies**

**A. Description of the Entity**

The Township of York, Medina County, is a body politic and corporate 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 maintenance. The Township contracts with the Medina County Sheriff's department to provide security of persons and property. The Township contracts with Erhart Volunteer Fire Department to provide fire protection and rescue 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. 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 prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

The investment in STAROhio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

**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:

**General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

**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.

**YORK TOWNSHIP  
MEDINA COUNTY, OHIO**

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

**NOTE 1: Summary of Significant Accounting Policies (continued)**

**D. Fund Accounting (continued)**

**Motor Vehicle License Tax Fund** - This fund receives state motor vehicle license tax money for the construction, repair, and maintenance of township roads and bridges.

**Gasoline Tax Fund** - This fund receives gasoline tax money for the construction, repair and maintenance of township roads and bridges.

**Road and Bridges Funds** - These funds receive real estate and personal property tax money for the construction, repair, and maintenance of township roads and bridges.

**Fire District** - This fund receives property tax revenue for the use of protection and emergency rescue services.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**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.

**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.

**Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances are outstanding at year end.

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

**YORK TOWNSHIP  
MEDINA COUNTY, OHIO**

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

**NOTE 1: Summary of Significant Accounting Policies (continued)**

**F. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as disbursements (capital outlays) when paid. These items are not reflected as assets in the accompanying financial statements.

**G. Unpaid Vacation and Sick Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused vacation and sick leave. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Township.

**NOTE 2: Equity in Pooled Cash**

The Township maintains a cash and investment 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:

	2000	1999
Demand deposits	\$ (19,966)	\$ (232,901)
Repurchase Agreements	155,000	250,000
Certificates of Deposit	975,000	425,000
STAROhio	90,337	544,844
Total deposits and investment	\$ 1,200,371	\$ 986,943

**Deposits**

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

**Investments**

Investments in STAROhio and mutual funds are not evidenced by securities that exist in physical or book entry-form.

**YORK TOWNSHIP  
MEDINA COUNTY, OHIO**

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

**NOTE 3: Budgetary Activity**

Budgetary activity for the years ended December 31, 2000 and 1999 was as follows:

	Budgeted vs. Actual Receipts					
	2000			1999		
	Budgeted Receipts	Actual Receipts	Variance	Budgeted Receipts	Actual Receipts	Variance
General	\$ 177,288	\$ 186,458	\$ 9,170	\$ 170,538	\$ 205,136	\$ 34,598
Special Revenue	<u>524,376</u>	<u>547,998</u>	<u>23,622</u>	<u>513,058</u>	<u>585,950</u>	<u>72,892</u>
Total	<u>\$ 701,664</u>	<u>\$ 734,456</u>	<u>\$ 32,792</u>	<u>\$ 683,596</u>	<u>\$ 791,086</u>	<u>\$ 107,490</u>

	Budgeted vs. Actual Expenditures					
	2000			1999		
	Appropriation Authority	Actual Expenditures	Variance	Appropriation Authority	Actual Expenditures	Variance
General	\$ 189,269	\$ 164,195	\$ 25,074	\$ 174,801	\$ 161,189	\$ 13,612
Special Revenue	<u>937,394</u>	<u>842,972</u>	<u>94,422</u>	<u>951,636</u>	<u>563,725</u>	<u>387,911</u>
Total	<u>\$ 1,126,663</u>	<u>\$ 1,007,167</u>	<u>\$ 119,496</u>	<u>\$ 1,126,437</u>	<u>\$ 724,914</u>	<u>\$ 401,523</u>

**NOTE 4: Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by 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 payments, 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 taxes 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  
MEDINA COUNTY, OHIO**

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

**NOTE 5: Retirements Systems**

The Township's full-time employees 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 health care, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code. The Public Employee Retirement System issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-PERS (7377).

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. The Township has paid all contributions required through December 31, 2000.

**NOTE 6: Risk Management**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

**NOTE 7: Subsequent Events**

Subsequent to 12/31/2000, the township purchased a Pierce fire engine truck for \$440,463. The township paid for the fire engine truck with cash.

# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

May 29, 2001

The Board of Trustees  
York Township  
Medina County, Ohio

## **REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements of York Township, Medina County, as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 29, 2001. We have conducted our audit in accordance with generally accepted auditing standards and 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 York Township 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of York Township, Medina County, in a separate letter dated May 29, 2001.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered York Township 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. 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 material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weakness.

This report is intended solely for the information and use of the trustees, management and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

*Rea & Associates, Inc.*

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STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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Telephone 614-466-4514  
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**YORK TOWNSHIP**

**MEDINA 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**