



**YORK TOWNSHIP  
ATHENS COUNTY**

**SINGLE AUDIT  
FIRST YEAR OF THE BIENNIUM  
JANUARY 1, 1999 - DECEMBER 31, 1999**

**REGULAR AUDIT  
SECOND YEAR OF THE BIENNIUM  
JANUARY 1, 2000 - DECEMBER 31, 2000**

**FISCAL YEARS AUDITED  
UNDER GAGAS: 2000 AND 1999**



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

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**STATE OF OHIO**



YORK TOWNSHIP  
ATHENS COUNTY

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## REPORT OF INDEPENDENT ACCOUNTANTS

York Township  
Athens County  
649 Walnut Street  
Nelsonville, Ohio 45764

To the Board of Trustees:

We have audited the accompanying financial statements of York Township, Athens 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 this 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 presents fairly, in all material respects, the combined fund cash balances and reserve for encumbrances of York Township, Athens 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 June 27, 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.

We performed our audit to form an opinion on the financial statements of the Township, taken as a whole. The accompanying Schedule of Federal Awards Expenditures for the year ended December 31, 1999, is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. We subjected this information to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of 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

June 27, 2001

YORK TOWNSHIP  
ATHENS COUNTY

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

	Governmental Fund Types			Fiduciary Fund	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Expendable Trust	
<b>Cash Receipts:</b>					
Local Taxes	\$ 29,865	\$ 161,395	\$ 14,463	\$	\$ 205,723
Intergovernmental	24,012	401,465			425,477
Licenses, Permits, and Fees		24,775			24,775
Interest	3,816	1,426		1,605	6,847
Other Revenue	2,352	64,944			67,296
<b>Total Cash Receipts</b>	<b>60,045</b>	<b>654,005</b>	<b>14,463</b>	<b>1,605</b>	<b>730,118</b>
<b>Cash Disbursements:</b>					
Current:					
General Government	70,082	60,522			130,604
Public Safety		12,022			12,022
Public Works		118,533			118,533
Health	2,002	125,445		3,450	130,897
Redemption of Principal			8,517		8,517
Interest and Fiscal Charges			1,935		1,935
Capital Outlay	1,300	316,840			318,140
<b>Total Cash Disbursements</b>	<b>73,384</b>	<b>633,362</b>	<b>10,452</b>	<b>3,450</b>	<b>720,648</b>
Total Cash Receipts Over/(Under) Cash Disbursements	(13,339)	20,643	4,011	(1,845)	9,470
<b>Other Financing Receipts/(Disbursements):</b>					
Other Sources		36			36
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>0</b>	<b>36</b>	<b>0</b>	<b>0</b>	<b>36</b>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(13,339)	20,679	4,011	(1,845)	9,506
Fund Cash Balances, January 1	48,873	244,921	42	38,250	332,086
<b>Fund Cash Balances, December 31</b>	<b>\$ 35,534</b>	<b>\$ 265,600</b>	<b>\$ 4,053</b>	<b>\$ 36,405</b>	<b>\$ 341,592</b>

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

YORK TOWNSHIP  
ATHENS COUNTY

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

	Governmental Fund Types			Fiduciary Fund	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Expendable Trust	
<b>Cash Receipts:</b>					
Local Taxes	\$ 29,563	\$ 161,790	\$ 18,463	\$	\$ 209,816
Intergovernmental	42,291	535,877			578,168
Licenses, Permits, and Fees		22,925			22,925
Interest	2,303	1,071		1,794	5,168
Other Revenue	16,487	37,517			54,004
<b>Total Cash Receipts</b>	<b>90,644</b>	<b>759,180</b>	<b>18,463</b>	<b>1,794</b>	<b>870,081</b>
<b>Cash Disbursements:</b>					
Current:					
General Government	63,983	55,053			119,036
Public Safety	15,190	16,381			31,571
Public Works	3,000	125,374			128,374
Health	17,683	125,027			142,710
Redemption of Principal			14,217		14,217
Interest and Fiscal Charges			4,246		4,246
Capital Outlay		304,526			304,526
<b>Total Cash Disbursements</b>	<b>99,856</b>	<b>626,361</b>	<b>18,463</b>	<b>0</b>	<b>744,680</b>
Total Cash Receipts Over/(Under) Cash Disbursements	(9,212)	132,819	0	1,794	125,401
<b>Other Financing Receipts/(Disbursements):</b>					
Proceeds from Notes	20,000				20,000
Advances-In		1,500			1,500
Advances-Out	(1,500)				(1,500)
Other Sources		39			39
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>18,500</b>	<b>1,539</b>	<b>0</b>	<b>0</b>	<b>20,039</b>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	9,288	134,358	0	1,794	145,440
Fund Cash Balances, January 1	39,585	110,563	42	36,456	186,646
<b>Fund Cash Balances, December 31</b>	<b>\$ 48,873</b>	<b>\$ 244,921</b>	<b>\$ 42</b>	<b>\$ 38,250</b>	<b>\$ 332,086</b>

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



**YORK TOWNSHIP  
ATHENS COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

York Township, Athens 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 and a publicly-elected Clerk. The Township provides general governmental services, including road and bridge maintenance, cemetery maintenance, and fire protection.

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. Cash and Investments**

Certificates of deposit, and U.S. Treasury Notes are valued 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 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:

*Cemetery Fund* - This fund receives property tax money for maintaining Township cemeteries.

*Federal Emergency Management Agency (FEMA) Fund* - This fund receives money from the Federal Emergency Management Agency to provide flood relief to the Township.

**YORK TOWNSHIP  
ATHENS COUNTY**

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

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

**D. Fund Accounting (Continued)**

**3. Debt Service Funds**

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township had the following significant Debt Service Funds:

*General Note Retirement Fund (Dump Truck)* - This fund is used to track resources restricted for the payment of debt related expenses of the Township issued for the purchase of a dump truck.

*General Note Retirement Fund (Backhoe)* - This fund is used to track resources restricted for the payment of debt related expenses of the Township issued for the purchase of a backhoe.

*General Note Retirement Fund (Fire Hydrants)* - This fund is used to track resources restricted for the payment of debt related expenses of the Township issued for the purchase of fire hydrants for the Township.

**4. Fiduciary Funds (Trust and Agency Funds)**

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township had the following significant fiduciary fund:

*Expendable Trust Fund* - This fund received interest payments for the upkeep of the Township cemeteries.

**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. 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. The Township did not encumber all commitments as required by Ohio law.

**YORK TOWNSHIP  
ATHENS COUNTY**

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

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

**E. Budgetary Process (Continued)**

**3. Encumbrances (Continued)**

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

**F. 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.

**G. Unpaid Vacation and Sick Leave**

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

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	<u>2000</u>	<u>1999</u>
Demand Deposits	\$ 310,031	\$ 300,525
Certificate of Deposit	31,561	31,561
Total Deposits	<u>\$ 341,592</u>	<u>\$ 332,086</u>

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**3. BUDGETARY ACTIVITY**

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 64,289	\$ 60,045	\$ (4,244)
Special Revenue	575,796	654,041	78,245
Debt Service	18,464	14,463	(4,001)
Expendable Trust	1,800	1,605	(195)
Total	<u>\$ 660,349</u>	<u>\$ 730,154</u>	<u>69,805</u>

**YORK TOWNSHIP  
ATHENS COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 92,999	\$ 73,384	\$ 19,615
Special Revenue	765,127	633,362	131,765
Debt Service	18,463	10,452	8,011
Expendable Trust	6,000	3,450	2,550
Total	<u>\$ 882,589</u>	<u>\$ 720,648</u>	<u>\$ 161,941</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 83,036	\$ 110,644	\$ 27,608
Special Revenue	983,977	759,219	(224,758)
Debt Service	10,453	18,463	8,010
Expendable Trust	1,850	1,794	(56)
Total	<u>\$ 1,079,316</u>	<u>\$ 890,120</u>	<u>(189,196)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 98,750	\$ 99,856	\$ (1,106)
Special Revenue	324,802	626,361	(301,559)
Debt Service	10,452	18,463	(8,011)
Expendable Trust	4,000	0	4,000
Total	<u>\$ 438,004</u>	<u>\$ 744,680</u>	<u>(306,676)</u>

The Township did not obtain reduced amended certificates of estimated resources, when it became apparent that the Township would not receive as much revenue as estimated, for the Road & Bridge, FEMA, and Expendable Trust funds in 2000 and the General, Gasoline Tax, Permissive Tax, Debt Service and Expendable Trust funds in 1999 resulting total appropriations for the above stated funds to exceed estimated resources, contrary to Ohio Law.

The Township did not certify the availability of funds prior to commitment for many purchases in 2000 and 1999 contrary to Ohio Law.

Actual expenditures exceeded appropriations in the General, Gravel Pit, FEMA and Debt Service funds in 1999, contrary to Ohio Law.

**YORK TOWNSHIP  
ATHENS COUNTY**

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

**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 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 in 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.

**5. DEBT**

Debt outstanding at December 31, 2000 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Backhoe Lease	\$27,919	5.75%
Dump Truck Lease	15,832	5.90%
Fire Hydrants Note	<u>12,547</u>	4.75%
Total	<u><u>\$56,298</u></u>	

The Township entered into a lease with Case Credit, in 1998, for the purchase of a backhoe. The original lease amount was for \$33,977 for 6 years, with an annual payments of \$8,011. The lease is secured solely by the backhoe. At the end of the lease, the Township has the option to assume ownership of the backhoe at no additional expense

The Township entered into a lease with Case Credit, in 1997, for the purchase of a dump truck. The original lease amount was for \$28,800 for 6 years, with an annual payment of \$5,912. The lease is secured solely by the dump truck. At the end of the lease, the Township has the option to assume ownership of the dump truck at no additional expense.

The Township obtained a note from The Peoples Banking & Trust Comapny, in 1999, for the purchase of fire hydrants. The original note amount was for \$20,000 for 5 years, with a semi-annual payment of \$2,270. The note is secured solely by the Townships taxing authority.

**YORK TOWNSHIP  
ATHENS COUNTY**

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

**5. DEBT (Continued)**

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

Year ending December 31:	Dump Truck Lease	Backhoe Lease	Fire Hydrants Note
2001	\$5,912	\$8,011	\$4,540
2002	5,912	8,011	4,540
2003	5,912	8,011	4,540
2004	_____	8,011	2,266
Total	<u>\$17,736</u>	<u>\$32,044</u>	<u>\$15,886</u>

**6. RETIREMENT SYSTEM**

The Township's elected officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The 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
- Vehicles
- Errors and Omissions
- Inland Marine

**8. CONTINGENT LIABILITIES**

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

**YORK TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

<b>FEDERAL GRANTOR</b> <i>Pass-Through Grantor</i> Program Title	Federal CFDA Number	Pass Through Entity Number	<u>Disbursements</u>
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>			
<i>Pass through Ohio Emergency Management Agency:</i>			
Disaster Assistance - Federal Emergency Management Agency	83.544	DR-1164.0027-OH	<u>\$315,749</u>
<i>Total Federal Emergency Management</i>			<u>315,749</u>
<b>Total Federal Awards Expenditures</b>			<b><u><u>\$315,749</u></u></b>

*The notes to the Schedule of Federal Awards Expenditures are an integral part of this Schedule.*

**YORK TOWNSHIP  
ATHENS COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Award Expenditures, (the Schedule), summarizes the activity of the Township's federal award program. The Schedule has been prepared on the cash basis of accounting.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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

York Township  
Athens County  
649 Walnut Street  
Nelsonville, Ohio 45764

To the Board of Trustees:

We have audited the accompanying financial statements of York Township, Athens County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 27, 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2000-40705-001 through 2000-40705-002. In addition, we noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated June 27, 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. 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 and 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 in 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 weaknesses.

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

However, we noted a certain matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the Township in a separate letter dated June 27, 2001.

This report is intended for the information and use of management, the Board of Trustees, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

June 27, 2001



STATE OF OHIO  
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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

York Township  
Athens County  
649 Walnut Street  
Nelsonville, Ohio 45764

To the Board of Trustees:

**Compliance**

We have audited the compliance of York Township, Athens County, Ohio (the Township), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 1999. The Township's major federal program is identified in the Summary of Auditor's Results Section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Township's management. Our responsibility is to express an opinion on the Township's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Township's compliance with those requirements.

In our opinion, the Township complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 1999. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings as item 2000-40705-004.

**Internal Control Over Compliance**

The management of the Township is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Township's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

June 27, 2001

**YORK TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 §.505  
DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF AUDITOR'S RESULTS**

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under §.510?	No
(d)(1)(vii)	Major Programs (list):	Disaster Assistance - Federal Emergency Management Assistance CFDA #83.544
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

**YORK TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 §.505  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999  
(Continued)**

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

**FINDING NUMBER 2000-40705-001**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.36 states that all subdivisions are allowed to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources. An increased amended certificate must be obtained from the budget commission if the legislative authority intends to appropriate and expend the excess revenue. A reduced amended certificate must be obtained if the amount of the deficiency will reduce available resources below the current level of appropriation. The total appropriations made during a fiscal year from any fund must not exceed the amount contained in the certificate of estimated resources or the amended certificate of estimated resources which was certified prior to making the appropriation or supplemental appropriation.

For 1999, the estimated receipts exceeded actual receipts at year end for the following funds:

Fund	1999 Estimated Receipts	1999 Actual Receipts	Variance
Road & Bridge	\$ 27,600	\$ 23,883	\$ (3,717)
FEMA	\$ 716,829	\$ 445,964	\$ (270,865)
Expendable Trust	\$ 1,850	\$ 1,794	\$ (56)

For 1999, appropriations exceeded actual receipts at year end for the following funds:

Fund	1999 Appropriations	1999 Actual Receipts	Variance
Road & Bridge	\$ 28,925	\$ 23,883	\$ (5,042)
Expendable Trust	\$ 4,000	\$ 1,794	\$ (2,206)

For 2000, the estimated receipts exceeded actual receipts at year end for the following funds:

Fund	2000 Estimated Receipts	2000 Actual Receipts	Variance
General Fund	\$ 64,289	\$ 60,045	\$ (4,244)
Gasoline Tax	\$ 52,000	\$ 50,880	\$ (1,120)
Permissive Tax	\$ 6,900	\$ 6,759	\$ (141)
Debt Service	\$ 18,464	\$ 14,463	\$ (4,001)
Expendable Trust	\$ 1,800	\$ 1,605	\$ (195)

YORK TOWNSHIP  
ATHENS COUNTY

SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 §.505  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999  
(Continued)

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

FINDING NUMBER 2000-40705-001(Continued)

**Noncompliance Citation** - Ohio Rev. Code Section 5705.36 (Continued)

For 2000, appropriations exceeded actual receipts at year end for the following funds:

Fund	1999 Appropriations	1999 Actual Receipts	Variance
General Fund	\$ 92,999	\$ 60,045	\$ (32,954)
Permissive Tax	\$ 7,253	\$ 6,759	\$ (494)
Debt Service	\$ 18,463	\$ 14,463	\$ (4,000)
Expendable Trust	\$ 6,000	\$ 1,605	\$ (4,395)

If the Township had actual expenditures in the amount of their appropriations, for the above funds, this could have resulted in deficit spending.

We recommend the Township obtain amended certificates of estimated resources when it becomes apparent the Township is going to receive less than what was estimated. We also recommend the Township officials monitor the effect of the reduction in relation to their appropriations and make amendments as needed.

FINDING NUMBER 2000-40705-002

**Noncompliance Citation**

Ohio Revised Code Section 5705.41(D) states that no contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract had been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriated fund free from any previous encumbrances.

The following exceptions to this basic requirement are provided by statute:

Then and Now Certificate: This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

YORK TOWNSHIP  
ATHENS COUNTY

SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 §.505  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999  
(Continued)

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

FINDING NUMBER 2000-40705-002 (Continued)

Noncompliance Citation - Ohio Revised Code Section 5705.41(D) (Continued)

Amounts of less than \$100 for counties, or less than \$1,000 for other political subdivisions, may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority. [Section 5705.41(D)].

Of the transactions tested, in 1999 64%, and in 2000 76%, of the expenditures had invoice dates preceding the certification dates and no corresponding "Then and Now" Certificate was completed. This could lead to obligations being entered into when there is not sufficient funds available to cover the transaction.

We recommend the Township certify the availability of funds prior to ordering goods or services.

FINDING NUMBER 2000-40705-003

Noncompliance Citation

Ohio Rev. Code Section 5705.41(B) states that no subdivision or taxing unit shall expend any money unless it has been properly appropriated.

For 1999, the actual expenditures exceeded appropriations at year end for the following funds:

<u>Fund</u>	<u>1999 Appropriations</u>	<u>1999 Actual Expenditures</u>	<u>Variance</u>
General	\$ 98,750	\$ 99,856	\$ (1,106)
Gravel Pit	\$ 5,400	\$ 12,880	\$ (7,480)
FEMA	\$ 0	\$ 315,749	\$ (315,749)
Debt Service	\$ 10,452	\$ 18,463	\$ (8,011)

This could cause the Township to overspend available fund balances.

We recommend the Township monitor actual expenditures as compared to appropriations at the legal level of control, amending the appropriation measure when necessary. Any amended appropriations must be formally approved by Council in the minutes.



**YORK TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 §.505  
DECEMBER 31, 2000 AND 1999  
(Continued)**

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

**3. FINDINGS FOR FEDERAL AWARDS**

<b>Finding Number</b>	<b>2000-40705-004</b>
<b>CFDA Title and Number</b>	Disaster Assistance - Federal Emergency Management Assistance CFDA #83.544
<b>Federal Award Number / Year</b>	DR-1164.0027-OH / 1997
<b>Federal Agency</b>	Federal Emergency Management Agency
<b>Pass-Through Agency</b>	Ohio Emergency Management Agency

Office of Management and Budget Circular A-133 §\_\_.300 (e) requires recipients of Federal assistance programs to ensure that audits required by the Circular are completed and submitted when due. Governments expending over \$300,000 in direct and/or pass-through Federal assistance must ensure that an audit fulfilling Circular A-133 requirements is filed within nine months of fiscal year end. During 1999, the Township expended \$315,749 in Federal Disaster Assistance program funds. The Township did not notify the Auditor of State that a Single Audit was required for the year 1999. As a result, this Circular A-133 report was not filed with the Federal Clearinghouse within nine months of December 31, 1999, as required by Circular A-133 §\_\_.320(a).





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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800-282-0370  
Facsimile 614-466-4490

**YORK TOWNSHIP**

**ATHENS 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  
AUGUST 21, 2001**