



**Auditor of State
Betty Montgomery**

YORK TOWNSHIP
BELMONT COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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, 2002 and 2001. 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, 2002 and 2001, 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 July 31, 2003, 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.

York Township
Belmont County
Independent Accountants' Report
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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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

July 31, 2003

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, 2002

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts:					
Local Taxes	\$16,625	\$38,510	\$	\$	\$55,135
Intergovernmental	84,732	72,332	7,000		164,064
Earnings on Investments	454	289			743
Other Revenue	461				461
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	102,272	111,131	7,000	0	220,403
Cash Disbursements:					
Current:					
General Government	72,453				72,453
Public Safety		24,470			24,470
Public Works	5,969	77,568			83,537
Health	4,111				4,111
Debt Service:					
Redemption of Principal	4,731	6,117	4,658		15,506
Interest and Fiscal Charges	269	883	283		1,435
Capital Outlay		5,141			5,141
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	87,533	114,179	4,941	0	206,653
Total Cash Receipts Over/(Under) Cash Disbursements	14,739	(3,048)	2,059	0	13,750
Fund Cash Balances, January 1	18,051	46,712	3,085	5	67,853
Fund Cash Balances, December 31	<u>\$32,790</u>	<u>\$43,664</u>	<u>\$5,144</u>	<u>\$5</u>	<u>\$81,603</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, 2001

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts:					
Local Taxes	\$18,788	\$44,722	\$4,941	\$	\$68,451
Intergovernmental	55,494	75,423		22,898	153,815
Earnings on Investments	1,408	635			2,043
Other Revenue	2,161				2,161
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	77,851	120,780	4,941	22,898	226,470
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Cash Disbursements:					
Current:					
General Government	85,276				85,276
Public Safety	2,000	24,562			26,562
Public Works	4,807	76,726			81,533
Health	4,658				4,658
Debt Service:					
Redemption of Principal	4,660	8,427	1,640		14,727
Interest and Fiscal Charges	425	1,573	216		2,214
Capital Outlay		7,790		22,898	30,688
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Total Cash Disbursements	101,826	119,078	1,856	22,898	245,658
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	(23,975)	1,702	3,085	0	(19,188)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	42,026	45,010	0	5	87,041
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$18,051</u>	<u>\$46,712</u>	<u>\$3,085</u>	<u>\$5</u>	<u>\$67,853</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, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

York Township, Belmont County, Ohio (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 road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Village of Powhatan Point to provide fire and ambulance 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. 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:

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

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

Fire & Emergency Ambulance Fund - This fund receives property tax money to provide fire protection and ambulance services.

**YORK TOWNSHIP
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

3. Debt Service Fund

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 Fund:

Miscellaneous Debt Service Fund – This fund receives property tax and local government money to service debt for the purchase of a truck and grader.

4. 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 Projects Fund:

Ohio Public Works Commission Issue II Fund - The Township received a grant from the State of Ohio through the Belmont County Engineer to resurface 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 2002 and 2001 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, 2002 AND 2001
(Continued)**

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:

	2002	2001
Demand deposits	\$81,603	\$67,853

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2002 and 2001, follows:

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$83,603	\$102,272	\$18,669
Special Revenue	99,670	111,131	11,461
Debt Service	4,941	7,000	2,059
Total	\$188,214	\$220,403	\$32,189

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$100,251	\$87,533	\$12,718
Special Revenue	142,553	114,179	28,374
Debt Service	8,026	4,941	3,085
Capital Projects	5	0	5
Total	\$250,835	\$206,653	\$44,182

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$81,003	\$77,851	(\$3,152)
Special Revenue	102,609	120,780	18,171
Debt Service	0	4,941	4,941
Capital Projects	22,898	22,898	0
Total	\$206,510	\$226,470	\$19,960

**YORK TOWNSHIP
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$113,333	\$101,826	\$11,507
Special Revenue	142,551	119,078	23,473
Debt Service	5,400	1,856	3,544
Capital Projects	22,904	22,898	6
Total	\$284,188	\$245,658	\$38,530

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.

5. DEBT

Debt outstanding at December 31, 2002, was as follows:

	Principal	Interest Rate
General Obligation Notes	\$19,064	5%-5.25%

The general obligation notes were issued to finance the purchase of a 1999 Ford truck and a 1991 grader to be used for Township road maintenance. The notes are collateralized solely by the Township's taxing authority.

**YORK TOWNSHIP
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

5. DEBT (Continued)

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

Year ending December 31:	<u>General Obligation Notes</u>
2003	\$12,318
2004	7,596
Total	<u>\$19,914</u>

6. RETIREMENT SYSTEMS

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. 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 2002 and 2001, 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, 2002.

7. RISK MANAGEMENT

Commercial Insurance

The Township has obtained commercial insurance for the following risks:

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

The Township also provides health insurance coverage to elected officials and employees, as well as, life insurance coverage to employees, through a private carrier.

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**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT 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, 2002 and 2001, and have issued our report thereon dated July 31, 2003. 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated July 31, 2003.

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 certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. 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 judgment, 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. Reportable conditions are described in the accompanying Schedule of Findings as items 2002-001 and 2002-002.

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 misstatement 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 that might be reportable conditions and, accordingly would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

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.



Betty Montgomery
Auditor of State

July 31, 2003

**YORK TOWNSHIP
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001**

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

FINDING NUMBER 2002-001

Reportable Condition - Posting of Receipts and Disbursements

Receipts and disbursements should be posted to the fund and line item accounts as established by Ohio Administrative Code Section 117-7.

Intergovernmental revenues, miscellaneous revenues and note retirement principal and interest payments were not posted into the correct receipt classification or appropriation classification, based on the source of receipt and nature of disbursement. As a result, reclassifications to the financial statements were required.

We recommend the Township Clerk consult the Ohio Administrative Code Section and/or the Township Handbook when monies are received and disbursed, to help ensure these transactions are posted to the correct receipt and appropriation classifications.

FINDING NUMBER 2002-002

Reportable Condition - Posting of Budgetary Receipts

Estimated receipts as approved by the County Budget Commission should be entered into the Township's computer system.

The Township Clerk did not accurately post estimated receipts to the Uniform Accounting Network computer system. Because the information posted to the system was inaccurate, Township management was unable to effectively monitor budget versus actual activity. Adjustments were made to the budgetary activity reported in Note 3 to the financial statements in order to accurately present estimated receipts as certified by the County Budget Commission.

To help ensure more useful comparisons of budget versus actual activity, we recommend the Township Clerk post estimated receipts to the computer system, as certified by the County Budget Commission.

**YORK TOWNSHIP
BELMONT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2002 AND 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2000-41007-001	The Township had expenditures which exceeded appropriations contrary to Ohio Rev. Code Section 5705.41(B).	Yes	N/A.
2000-41007-002	The Township did not properly account for Issue II funding received on their behalf.	Yes	N/A.



**Auditor of State
Betty Montgomery**

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Columbus, Ohio 43216-1140

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800-282-0370

Facsimile 614-466-4490

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
SEPTEMBER 9, 2003**