

***YORK TOWNSHIP
TUSCARAWAS COUNTY, OHIO***

AUDIT REPORT

FOR THE YEARS ENDED DECEMBER 31, 2000 & 2001

Charles E. Harris and Associates, Inc.
Certified Public Accountants



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Trustees
York Township
234 Stone Creek Road, SW
New Philadelphia, Ohio 44663

We have reviewed the Independent Auditor's Report of York Township, Tuscarawas County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2000 through December 31, 2001. 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.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

July 5, 2002

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**YORK TOWNSHIP
TUSCARAWAS COUNTY, OHIO
Audit Report
For the Years Ended December 31, 2000 & 2001**

TABLE OF CONTENTS

| <u>Title</u> | <u>Page</u> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Elected and Appointed Officials | -ii- |
| Report of Independent Accountants | 1 |
| Combined Statement of Cash, Investments and Fund Cash Balances - All Fund Types, As of December 31, 2000 & 2001 | 2 |
| Combined Statement of Receipts, Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2000 | 3 |
| Statement of Receipts, Disbursements, and Changes in Fund Cash Balances - Fiduciary Fund Type, For the Year Ended December 31, 2000 | 4 |
| Combined Statement of Receipts, Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types, For the Year Ended December 31, 2001 | 5 |
| Statement of Receipts, Disbursements, and Changes in Fund Cash Balances - Fiduciary Fund Type, For the Year Ended December 31, 2001 | 6 |
| Combined Statement of Receipts - Budget and Actual, For the Year Ended December 31, 2000 | 7 |
| Combined Statement of Disbursements and Encumbrances Compared With Expenditure Authority, For the Year Ended December 31, 2000 | 8 |
| Combined Statement of Receipts - Budget and Actual, For the Year Ended December 31, 2001 | 9 |
| Combined Statement of Disbursements and Encumbrances Compared With Expenditure Authority, For the Year Ended December 31, 2001 | 10 |
| Notes to the Financial Statements | 11-23 |
| Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 24-25 |
| Status of Prior Audit's Citations and Recommendations | 26 |

**YORK TOWNSHIP
TUSCARAWAS COUNTY, OHIO
Audit Report
For the Years Ended December 31, 2000 & 2001**

| <u>ELECTED OFFICIALS</u> | <u>TITLE</u> | <u>TERM OF OFFICE</u> | <u>SURETY</u> | <u>SURETY PERIOD</u> |
|----------------------------|--------------|-----------------------|---------------|----------------------|
| Ronald H. Stein | Chairman | 1/1/96 to 12/31/01 | (A) | 1/1/96 - 12/31/01 |
| David Pollock | Trustee | 1/1/98 to 12/31/01 | (A) | 1/1/98 - 12/31/01 |
| Alfred L. Ballentine | Trustee | 1/1/98 to 12/31/01 | (A) | 1/1/98 - 12/31/01 |
| <u>APPOINTED OFFICIALS</u> | | | | |
| Carol Beitzel | Clerk | 4/1/96 to 3/31/2000 | (B) | 4/1/96 - 12/31/01 |

Statutory Legal Council

Michael Cockran, Prosecuting Attorney
Tuscarawas County Courthouse
125 E High Avenue
New Philadelphia, Ohio 44663

Township Address

234 Stone Creek Road, SW
New Philadelphia, Ohio 44663

- (A) Personal Insurance Company \$1,000.
- (B) Ohio Casualty Insurance Company \$6,000.
- (C) Western Surety Company \$6,000

Charles E. Harris & Associates, Inc.
Certified Public Accountants

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland, OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

REPORT OF INDEPENDENT ACCOUNTANTS

Board of Trustees
York Township
New Philadelphia, Ohio

We have audited the accompanying financial statements of York Township, Tuscarawas County, (the Township) as of and for the years ended December 31, 2000 and 2001, as listed in the table of contents. 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 a 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 cash, investments, and fund cash balances of York Township, Tuscarawas County, as of December 31, 2000 and 2001, its combined receipts, disbursements, and changes in fund cash balances; its combined statement of receipts - budget and actual, and its combined statement of disbursements and encumbrances compared with expenditure authority, for the years then ended on the basis of accounting described above.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 26, 2002 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 management, the Board of Trustees 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.

Charles E. Harris & Associates, Inc.
June 26, 2002

YORK TOWNSHIP
TUSCARAWAS COUNTY, OHIO
COMBINED STATEMENT OF CASH, INVESTMENTS AND FUND CASH
BALANCES - ALL FUND TYPES
For the Years Ended December 31, 2000 and 2001

| | <u>2000</u> <u>Balances</u> | <u>2001</u> <u>Balances</u> |
|---------------------------|--------------------------------|--------------------------------|
| Cash and Cash Equivalents | \$ 159,989 | \$ 162,580 |
| Investments | <u>1,500</u> | <u>1,500</u> |
| Totals | \$ <u>161,489</u> | \$ <u>164,080</u> |

Cash Balances By Fund Class

Governmental Fund Types:

| | | |
|-----------------------|-----------|-----------|
| General Fund | \$ 82,417 | \$ 68,213 |
| Special Revenue Funds | 77,572 | 94,285 |

Fiduciary Fund Types:

| | | |
|----------------------------|--------------------------|--------------------------|
| Non-Expendable Trust Funds | <u>1,500</u> | <u>1,582</u> |
| Totals | \$ <u>161,489</u> | \$ <u>164,080</u> |

See accompanying Notes to the Financial Statements.

YORK TOWNSHIP
TUSCARAWAS COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
For the Year Ended December 31, 2000

| | <u>General</u> | <u>Special Revenue</u> | <u>(Memorandum Only) Total</u> |
|----------------------------------------------------------------------------------|------------------|----------------------------|----------------------------------------|
| Receipts: | | | |
| Taxes | \$ 17,147 | \$ 66,237 | \$ 83,384 |
| Intergovernmental | 70,986 | 62,192 | 133,178 |
| Interest | 7,593 | 2,016 | 9,609 |
| Other | - | 1 | 1 |
| | <u>95,726</u> | <u>130,446</u> | <u>226,172</u> |
| Disbursements: | | | |
| General Government | 67,235 | - | 67,235 |
| Public Safety | - | 41,438 | 41,438 |
| Public Works | - | 81,781 | 81,781 |
| Health | 1,905 | 5,009 | 6,914 |
| Capital Outlay | - | 96 | 96 |
| | <u>69,140</u> | <u>128,324</u> | <u>197,464</u> |
| Total Receipts Over/(Under) Disbursements | 26,586 | 2,122 | 28,708 |
| Other Financing Sources (Uses): | | | |
| Other Financing Sources | 181 | - | 181 |
| | <u>181</u> | <u>-</u> | <u>181</u> |
| Total Other Financing Sources (Uses) | 181 | - | 181 |
| Total Receipts and Other Sources Over/(Under) Disbursements and Other Uses | 26,767 | 2,122 | 28,889 |
| Fund Balance January 1, 2000 | <u>55,650</u> | <u>75,450</u> | <u>131,100</u> |
| Fund Balance December 31, 2000 | <u>\$ 82,417</u> | <u>\$ 77,572</u> | <u>\$ 159,989</u> |

See accompanying Notes to the Financial Statements.

YORK TOWNSHIP
TUSCARAWAS COUNTY, OHIO
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGE
IN FUND CASH BALANCES - FIDUCIARY FUND TYPE
For the Year Ended December 31, 2000

| | | <u>Non-Expendable Trust</u> |
|-------------------------------------------------------|-----------|---------------------------------|
| Receipts: | | |
| Interest | \$ | 70 |
| Disbursements: | | |
| Contract Services | | <u>89</u> |
| Excess Receipts Over/(Under) Disbursements | | (19) |
| Fund Balance, January 1, 2000 | | <u>1,519</u> |
| Fund Balance, December 31, 2000 | \$ | <u><u>1,500</u></u> |

See accompanying Notes to the Financial Statements.

YORK TOWNSHIP
TUSCARAWAS COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
For the Year Ended December 31, 2001

| | <u>General</u> | <u>Special Revenue</u> | <u>(Memorandum Only) Total</u> |
|-------------------------------------------------------------------------------------------|------------------|----------------------------|----------------------------------------|
| Receipts: | | | |
| Taxes | \$ 17,675 | \$ 68,477 | \$ 86,152 |
| Intergovernmental | 55,444 | 65,480 | 120,924 |
| Interest | 4,532 | 937 | 5,469 |
| Other | - | 5,870 | 5,870 |
| | <hr/> | <hr/> | <hr/> |
| Total Receipts | 77,651 | 140,764 | 218,415 |
| Disbursements: | | | |
| General Government | 66,249 | - | 66,249 |
| Public Safety | - | 42,952 | 42,952 |
| Public Works | - | 96,096 | 96,096 |
| Health | 2,002 | 5,003 | 7,005 |
| Capital Outlay | 4,388 | - | 4,388 |
| | <hr/> | <hr/> | <hr/> |
| Total Disbursements | 72,639 | 144,051 | 216,690 |
| Total Receipts Over/(Under) Disbursements | 5,012 | (3,287) | 1,725 |
| Other Financing Sources (Uses) | | | |
| Other Financing Sources | 784 | - | 784 |
| Operating Transfers-In | - | 20,000 | 20,000 |
| Operating Transfers-Out | (20,000) | - | (20,000) |
| | <hr/> | <hr/> | <hr/> |
| Other Financing Sources (Uses) | (19,216) | 20,000 | 784 |
| Total Receipts and Other Sources Over/(Under) Disbursements and Other Uses | (14,204) | 16,713 | 2,509 |
| Fund Balance January 1, 2001 | 82,417 | 77,572 | 159,989 |
| | <hr/> | <hr/> | <hr/> |
| Fund Balance December 31, 2001 | \$ 68,213 | \$ 94,285 | \$ 162,498 |
| | <hr/> | <hr/> | <hr/> |

See accompanying Notes to the Financial Statements.

YORK TOWNSHIP
TUSCARAWAS COUNTY, OHIO
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGE
IN FUND CASH BALANCES - FIDUCIARY FUND TYPE
For the Year Ended December 31, 2001

| | | <u>Non-Expendable Trust</u> |
|----------------------------------------|-----------|---------------------------------|
| Receipts: | | |
| Interest | \$ | 82 |
| | | |
| Fund Balance, January 1, 2001 | | <u>1,500</u> |
| | | |
| Fund Balance, December 31, 2001 | \$ | <u><u>1,582</u></u> |

See accompanying Notes to the Financial Statements.

**YORK TOWNSHIP
TUSCARAWAS COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS - BUDGET AND ACTUAL
For the Year Ended December 31, 2000**

| <u>Fund Types/Funds</u> | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable/ (Unfavorable)</u> |
|--------------------------------|--------------------------|--------------------------|--------------------------------------------------|
| Governmental Funds: | | | |
| General Fund | \$ 70,996 | \$ 95,907 | \$ 24,911 |
| Special Revenue Funds | 124,450 | 130,446 | 5,996 |
| Fiduciary Fund: | | | |
| Non-Expendable Trust Fund | <u>80</u> | <u>70</u> | <u>(10)</u> |
| Total (Memorandum Only) | \$ <u>195,526</u> | \$ <u>226,423</u> | \$ <u>30,897</u> |

See accompanying Notes to the Financial Statements.

YORK TOWNSHIP
TUSCARAWAS COUNTY, OHIO
COMBINED STATEMENT OF DISBURSEMENTS AND
ENCUMBRANCES COMPARED WITH EXPENDITURE AUTHORITY
For the Year Ended December 31, 2000

| <u>Fund Types/Funds</u> | <u>Carryover Appropriation</u> | <u>Year Ending 2000 Appropriations</u> | <u>Total</u> | <u>Actual 2000 Disbursements</u> | <u>Encumbrances as of 12/31/2000</u> | <u>Total</u> | <u>Variance Favorable/ (Unfavorable)</u> |
|--------------------------------|------------------------------------|------------------------------------------------|-------------------|------------------------------------------|----------------------------------------------|-------------------|--------------------------------------------------|
| Governmental Funds: | | | | | | | |
| General Fund | \$ 1,813 | \$ 126,646 | \$ 128,459 | \$ 69,140 | \$ 1,813 | \$ 70,953 | \$ 57,506 |
| Special Revenue Funds | - | 155,609 | 155,609 | 128,324 | - | 128,324 | 27,285 |
| Fiduciary Fund: | | | | | | | |
| Non-Expendable Trust Fund | - | 100 | 100 | 89 | - | 89 | 11 |
| Total (Memorandum Only) | \$ 1,813 | \$ 282,355 | \$ 284,168 | \$ 197,553 | \$ 1,813 | \$ 199,366 | \$ 84,802 |

See accompanying Notes to the Financial Statements.

**YORK TOWNSHIP
TUSCARAWAS COUNTY, OHIO
COMBINED STATEMENT OF RECEIPTS - BUDGET AND ACTUAL
For the Year Ended December 31, 2001**

| <u>Fund Types/Funds</u> | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable/ (Unfavorable)</u> |
|--------------------------------|--------------------------|--------------------------|--------------------------------------------------|
| Governmental Funds: | | | |
| General Fund | \$ 66,462 | \$ 78,435 | \$ 11,973 |
| Special Revenue Funds | 152,000 | 160,764 | 8,764 |
| Fiduciary Fund: | | | |
| Non-Expendable Trust Fund | <u>-</u> | <u>82</u> | <u>82</u> |
| Total (Memorandum Only) | \$ <u>218,462</u> | \$ <u>239,281</u> | \$ <u>20,819</u> |

See accompanying Notes to the Financial Statements.

YORK TOWNSHIP
TUSCARAWAS COUNTY
COMBINED STATEMENT OF DISBURSEMENTS AND
ENCUMBRANCES COMPARED WITH EXPENDITURE AUTHORITY
For the Year Ended December 31, 2001

| <u>Fund Types/Funds</u> | <u>Carryover Appropriation</u> | <u>Year Ending 2001 Appropriations</u> | <u>Total</u> | <u>Actual 2001 Disbursements</u> | <u>Encumbrances as of 12/31/2001</u> | <u>Total</u> | <u>Variance Favorable/ (Unfavorable)</u> |
|--------------------------------|------------------------------------|------------------------------------------------|-------------------|------------------------------------------|----------------------------------------------|-------------------|--------------------------------------------------|
| Governmental Funds: | | | | | | | |
| General Fund | \$ 1,813 | \$ 147,066 | \$ 148,879 | \$ 92,639 | \$ 1,813 | \$ 94,452 | \$ 54,427 |
| Special Revenue Funds | - | 158,029 | 158,029 | 144,051 | - | 144,051 | 13,978 |
| Fiduciary Fund: | | | | | | | |
| Non-Expendable Trust Fund | - | 100 | 100 | - | - | - | - |
| Total (Memorandum Only) | <u>\$ 1,813</u> | <u>\$ 305,195</u> | <u>\$ 307,008</u> | <u>\$ 236,690</u> | <u>\$ 1,813</u> | <u>\$ 238,503</u> | <u>\$ 68,405</u> |

See accompanying Notes to the Financial Statements.

YORK TOWNSHIP
TUSCARAWAS COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2000 & 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

York Township, Tuscarawas County, (the Township) is a body corporate and politic established for the purpose of exercising 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. The Township provides general governmental services, including road and cemetery maintenance. The township collects a 3-mill levy for the York Volunteer Fire Department to provide fire protection to the residents of the Township.

Management believes the financial statements included in this report represent all of the funds of the Township over which the Township has the ability to exercise direct operating control.

B. REPORTING ENTITY

In evaluating how to define the Township for financial reporting purposes, management has considered all agencies, departments and organizations making up York Township (the primary government) and its potential component units consistent with Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." There were no significant changes in the reporting entity related to the implementation of this statement for the current audit period.

Component units are legally separate organizations for which the Township, as the primary government, is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and 1) the Township is able to significantly influence the programs or services performed or provided by the organization; or 2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations for which the Township approves the budget, the issuance of debt, or the levying of taxes.

Based on the above definitions, the Township has determined that there were no component units required to be included the financial statements.

YORK TOWNSHIP
TUSCARAWAS COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2000 & 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

C. BASIS OF ACCOUNTING

The financial statements follow the basis of accounting prescribed 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 the obligation is incurred.

Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved.)

D. INVESTMENTS AND INACTIVE FUNDS

Investment procedures are restricted by the provisions of the Ohio Revised Code. Purchased investments are all certificates of deposits valued at cost and are neither charged when purchased nor credited at the time of redemption to their respective fund balances. Interest earned is recognized and recorded when received.

E. FUND ACCOUNTING

The Township maintains its accounting records in accordance with the principles of "Fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

Governmental Fund Types:

General Fund: The general operating fund of the Township. It is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

Special Revenue Funds: These funds are used to account for proceeds from special sources (other than from trusts) that are restricted to expenditures for specific purposes.

YORK TOWNSHIP
TUSCARAWAS COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2000 & 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

E. FUND ACCOUNTING – (continued)

Fiduciary Fund Types:

These funds account for resources held by the Township as a trustee or agent for individuals which are restricted by a legally binding trust agreements. The Township has a cemetery bequest fund. The agreement requires the Township to maintain the principle of the trust so the fund is classified as a non-expendable trust fund. The interest earned on the fund balance is used for cemetery maintenance.

F. BUDGETARY PROCESS

1. Budget

A budget of estimated cash receipts and disbursements is prepared by the Clerk, approved by the Board of Trustees, and submitted to the county auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

2. Estimated Resources

The county auditor calculates the estimated revenues available to the Township. He prepares a certificate of estimated resources based upon this calculation and upon the other financial information supplied in the budget sent by the Township. The certificate is approved by the county budget commission and sent to the Township Treasurer by September 1.

Prior to December 31, the Township must revise its budget so that the total budgeted expenditures for a fund will not exceed the amount of stated in the certificate of estimated resources. The revised budget serves as the basis for the annual appropriation measure.

YORK TOWNSHIP
TUSCARAWAS COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2000 & 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

F. BUDGETARY PROCESS - (continued)

2. Estimated Resources – (continued)

On or about January 1, the Clerk sends the county auditor a certificate to which includes the actual unencumbered balances from the preceding year. The county auditor prepares an amended certificate, submits it to the county budget commission for approval. This amended certificate may be further amended during the year if projected increases or decreases in revenue are identified by the Clerk. The amounts reported in the budgetary statements reflect the amounts in the final amended certificates issued during 2000 and 2001.

Budget receipts, as shown in the accompanying financial statements, do not include the unencumbered fund balances as of January 1, 2000 and 2001. However, those fund balances are available for appropriations.

3. Appropriations

A temporary appropriation measure to control cash expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by March 31 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

4. Encumbrances

The District is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

YORK TOWNSHIP
TUSCARAWAS COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2000 & 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

F. BUDGETARY PROCESS - (continued)

4. Encumbrances – (continued)

Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year without being re-appropriated. In the budgetary financial statements, encumbrances are added to budgetary expenditures and compared to current year appropriations plus prior year carry-over appropriations.

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS

The Township maintains a cash and investment pool. The balance of this pool is displayed on the “Combined Statement of Cash, Investments, and Fund Cash Balances - All Fund Types, As of December 31, 2000 and 2001.”

Legal Requirements

State statutes classify monies held by the Township into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Township Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts including passbook accounts.

YORK TOWNSHIP
TUSCARAWAS COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2000 & 2001

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (continued)

Interim monies may be invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);

YORK TOWNSHIP
TUSCARAWAS COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2000 & 2001

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Township, and be purchased within the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian

Protection of the Township's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Clerk by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

The following information classifies deposits and investments by categories of risk as defined by GASB Statement No.3, "A Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements."

Deposits: At year end, the carrying amount of the Township's deposits were \$ 161,489 in 2000 and \$164,080 in 2001 and the bank balance was \$189,486 in 2000 and \$201,421 in 2001. Of the bank balance,

1. \$100,000 in 2000 and 2001 was covered by federal depository insurance; and
2. \$89,486 in 2000 and \$101,421 in 2001 were uninsured, but collateralized by U.S. Government securities pooled by the depository not in the Township's name. As with all deposits, there is a risk of loss of resources, but management believes this collateral gives the Township its safest deposit of money.

YORK TOWNSHIP
TUSCARAWAS COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2000 & 2001

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (continued)

Investments: GASB Statement No.3 “Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements” requires that local governments disclose the carrying amounts and market value of investments classified by risk. Category 1 included investments that are insured or registered for which the securities are held in the counter party’s trust department or agent in the Township’s name. Category 2 includes uninsured and unregistered investments which are held by the counterparty’s trust department or agent in the Township’s name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter party or by its trust department but not in the Township’s name. At December 31, 2000 and 2001, the Township held no investments that would be classified as investments under GASB Statement No.3.

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9 entitled “Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting.”

A reconciliation between the classifications of cash and cash equivalents and investments on the combined financial statements and classification of deposits and investments presented above per GASB Statement No. 3 is as follows:

| | <u>Cash and Cash</u> <u>Equivalents/Deposits</u> | <u>Investments</u> |
|-------------------------------------------------------------------|-----------------------------------------------------|--------------------|
| <u>2000</u> | | |
| GASB Statement 9 | \$159,989 | \$1,500 |
| Investments: | | |
| Certificate of Deposit with a maturity of more than 90 days | 1,500 | (1,500) |
| GASB Statement 3 | <u>\$161,489</u> | <u>-</u> |

YORK TOWNSHIP
TUSCARAWAS COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2000 & 2001

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (continued)

| | <u>Cash and Cash Equivalents/Deposits</u> | <u>Investments</u> |
|-------------------------------------------------------------------|-----------------------------------------------|--------------------|
| <u>2001</u> | | |
| GASB Statement 9 | \$162,580 | \$1,500 |
| Investments: | | |
| Certificate of Deposit with a maturity of more than 90 days | 1,500 | (1,500) |
| GASB Statement 3 | \$164,080 | \$ - |

3. PROPERTY TAX

Real property taxes are levied on assessed values which equal 35% of appraised value. The county auditor reappraises all real property every six years with a triennial update. The last update was completed for tax year 2001.

Real property taxes become a lien on all non-exempt real property located in the county on January 1. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

The full tax rate applied to real property for the years ended December 31, 1999 and 2000 (received in 2000 and 2001) were \$5.90 and \$5.90, respectively, per \$1,000 of assessed valuation. After adjustment of the rate for inflationary increases in property values, the effective tax rate was \$5.90 and \$5.244677 for 2000 and 2001, respectively, per \$1,000 of assessed valuation for real property classified as residential/agricultural. The effective tax rate was \$5.90 and \$5.382446 for 2000 and 2001, respectively, per \$1000 of assessed valuation for other real property. Real property owners' tax bills are further reduced by homestead and rollback deductions when applicable. The amount of these homestead and rollback reductions is reimbursed to the Township by the State of Ohio.

YORK TOWNSHIP
TUSCARAWAS COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2000 & 2001

3. PROPERTY TAX - (continued)

Owners of tangible personal property are required to file a list of such property including costs, by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of cost.

The rate applied to tangible personal property for the years ended December 31, 1999 and 2000 (received in 2000 and 2001) was \$5.90 and \$5.90, respectively, per \$1,000 of assessed valuation.

The following represents the assessed property values for the revenues received during the years 2000 and 2001:

| | 2000 | 2001 |
|--------------------------------|--------------|--------------|
| Real Property | | |
| Residential/Agricultural | \$14,403,530 | \$16,444,170 |
| Commercial/Industrial | 816,450 | 850,520 |
| Mineral | 0 | 221,050 |
| Tangible Personal Property | | |
| General | 1,019,560 | 1,429,820 |
| Public Utilities | 1,055,110 | 875,990 |
| Total Valuation: | \$17,294,650 | \$19,821,550 |

The Tuscarawas County Treasurer collects property tax on behalf of all taxing Townships within the county. The Tuscarawas County Auditor periodically remits to the taxing Townships their portions of the taxes collected.

YORK TOWNSHIP
TUSCARAWAS COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2000 & 2001

4. RISK MANAGEMENT

The Township is exposed to various risks of loss related torts, theft of, damage to, destruction of assets, errors and omissions, injuries to employees and natural disasters. During the fiscal years 2000 and 2001, the Township contracted with one insurance company for coverage of buildings and contents.

The following is a list of insurance coverages of the Township and the deductibles associated with each:

| Type of Coverage | Limits | Deductible |
|----------------------------------------|------------|------------|
| Property | \$ 574,619 | \$250 |
| Public Officials Liability | | |
| Annual Aggregate | 2,000,000 | 0 |
| Each Public Officials Wrongful Act | 1,000,000 | 1,000 |
| Employment Practices Liability | | |
| Annual Aggregate | 2,000,000 | 0 |
| Each Employment Practices Wrongful Act | 1,000,000 | 1,000 |
| General Liability Coverage | | |
| Bodily Injury and Property Damage | 1,000,000 | 0 |
| Personal & Advertising Injury | 1,000,000 | 0 |
| Employee Benefits Injury | 1,000,000 | 0 |
| Fire, Lightning or Explosion | 500,000 | 0 |
| Medical Payments | 5,000 | 0 |
| General Aggregate | 2,000,000 | 0 |
| Operations Aggregate Limit | 2,000,000 | 0 |
| Business Auto | 1,000,000 | 0 |

Settled claims have not exceeded commercial coverage in the past three years. Also, there have been no material reductions in coverage during the past three years.

The Township Trustees and Clerk are covered by separate bonds.

The Township pays the State Worker-s Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

YORK TOWNSHIP
TUSCARAWAS COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2000 & 2001

5. DEFINED BENEFIT PENSION PLAN

The employees of the Township are covered by the Public Employees Retirement System of Ohio (PERS), a cost sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report which may be obtained by writing to the Public Employees Retirement System 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations and the Township is required to contribute 13.55 percent. The contribution rates are determined actuarially. The Township's required contributions to PERS for the years ended December 31, 2001, 2000, and 1999 were \$5,274, \$4,642, and \$4,813; respectively, which equals the required contributions for those years. The full amount has been contributed for 2000 and 1999. 76 percent has been contributed for 2001.

6. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio Service credit and to primary survivor recipients of such retirees. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on the authority granted by State statute. The 2001 employer contribution rate was 13.55 percent of covered payroll for employees; 4.3 percent was the portion that was used to fund health care.

YORK TOWNSHIP
TUSCARAWAS COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2000 & 2001

6. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - (continued)

Benefits are advance-funded on an actuarially determined basis. OPEB are financed through employer contributions and investment earnings. The contributions allocated to retiree health care and Medicare, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$14,364.6 million and \$2,628.7 million, respectively. As of December 31, 2000 (the latest information available), the unaudited estimated new assets available for futures OPEB payments were \$10,805.5 million. At December 31, 2000, the total number of benefit recipients eligible for OPEB through PERS was 411,076. The Village's actual contributions for 2001 and 2000 that were used to fund OPEB were \$1,673 and \$1,473, respectively.

7. SUBSEQUENT EVENTS/PENDING LITIGATION

Management believes there are no pending claims or lawsuits.

Charles E. Harris & Associates, Inc.
Certified Public Accountants

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

Board of Trustees
York Township
New Philadelphia, Ohio

We have audited the financial statements of the York Township, Tuscarawas County, (the Township) as of and for the years ended December 31, 2000 and 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Controls 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 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 weaknesses.

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

Charles E. Harris & Associates, Inc.
June 26, 2002

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, as of December 31, 1999 and 2000 contained no material citations or recommendations.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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**YORK TOWNSHIP
TUSCARAWAS 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 30, 2002**