

**YORK TOWNSHIP WATER AUTHORITY  
BELMONT COUNTY**

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

**SEACHRIST, KENNON & MARLING, A.C.  
CERTIFIED PUBLIC ACCOUNTANTS**





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OFFICE OF THE AUDITOR

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Board of Trustees  
York Township Water Authority  
Belmont County  
54320 Captina Drive  
Powhattan Point, Ohio 43942

We have reviewed the independent auditor's report of the York Township Water Authority, Belmont County, prepared by Seachrist, Kennon & Marling, A.C., Certified Public Accountants, for the audit period January 1, 1999 through December 31, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

JIM PETRO  
Auditor of State

July 13, 2001

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**YORK TOWNSHIP WATER AUTHORITY  
DECEMBER 31, 2000 AND 1999  
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## **Independent Auditor's Report**

York Township Water Authority  
Belmont County  
54320 Captina Drive  
Powhatan Point, Ohio 43942

To the Board of Trustees:

We have audited the statement of cash receipts, cash disbursements and changes in cash balances of York Township Water Authority, Belmont County, Ohio, (the Water Authority) as of and for the years ended December 31, 2000 and December 31, 1999. These financial statements are the responsibility of the Water Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 Water Authority 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 cash fund balance of the Water Authority as of December 31, 2000 and December 31, 1999, and its 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 5, 2001, on our consideration of the Water Authority'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 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.

*Seachrist, Kennon & Marling, A.C.*

Wheeling, West Virginia

June 5, 2001



**YORK TOWNSHIP WATER AUTHORITY**  
**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,**  
**AND CHANGES IN CASH BALANCES**  
**FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

	<b>2000</b>	<b>1999</b>
<b>Operating Cash Receipts:</b>		
Charges for Services	\$ 53,593	\$ 46,362
Total Operating Cash Receipts	53,593	46,362
<b>Operating Cash Disbursements:</b>		
Personal Services	7,905	10,110
Repairs and Maintenance	667	759
Testing and Licenses	774	856
Other Contractual Services	30,955	24,176
Office Supplies and Materials	1,090	1,228
Insurance	829	830
Miscellaneous	4,515	54
Total Operating Cash Disbursements	46,735	38,013
Operating Income/(Loss)	6,858	8,349
<b>Non-Operating Cash Receipts:</b>		
Other Non-Operating Revenues	641	679
Total Non-Operating Cash Receipts	641	679
<b>Non-Operating Cash Disbursements:</b>		
Debt Service	7,762	7,988
Total Non-Operating Cash Disbursements	7,762	7,988
Net Receipts Over/(Under) Disbursements	(263)	1,040
Cash Balances, January 1	30,348	29,308
Cash Balances, December 31	\$ 30,085	\$ 30,348

The accompanying notes are an integral part  
of these financial statements

**YORK TOWNSHIP WATER AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The York Township Water Authority, Belmont County (the Water Authority), 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 Water Authority is directed by a five member Board of Trustees appointed by the Belmont County Common Pleas Court Judge. The Water Authority provides water utility services to the residents of York Township, Belmont County.

The Water Authority's management believes these financial statements present all activities for which the Water Authority 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.

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

**C. Deposits and Investments**

Investments are reported as assets and are valued at cost. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not, recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

**D. Budgetary Process**

The Water Authority's Board of Trustees currently adopts an operating budget. Recent Ohio Law passed on June 8, 2000 has clarified that the budget process described in Chapter 5705, Revised Code, applies to the Water Authority, regardless of whether the Water Authority levies property taxes. The Water Authority must henceforth adopt annual budgets and appropriations to be limited by estimated resources. Expenditures will be limited by appropriations and expenditures will need to be encumbered by to purchasing the expenditures.

**YORK TOWNSHIP WATER AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

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

**E. Property, Plant and Equipment**

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

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

The Water Authority invests in certificates of deposit. The carrying amount of cash and investments at December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$ 27,549	\$ 27,923
Certificates of deposit	<u>2,536</u>	<u>2,425</u>
Total deposits	<u>\$ 30,085</u>	<u>\$ 30,348</u>

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

**3. DEBT**

Debt outstanding at December 31, 2000 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Water Revenue Bonds	<u>\$ 41,000</u>	3.75%

The Water Authority issued water revenue bonds to finance the construction of a water distribution system. The bonds were issued August 1967 for \$150,000 and have maturities through January 2007. The bonds are collateralized by the future revenues of the Water Authority. The Water Authority will fix and revise rates and charge for services in an amount sufficient to pay the costs of operating and maintaining the system.

**YORK TOWNSHIP WATER AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**3. DEBT (Continued)**

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

<u>Year ending December 31:</u>	<u>Water Revenue Bonds</u>
2001	\$ -0-
2002	7,538
2003	8,313
2004	8,050
2005	7,787
Subsequent	<u>14,787</u>
Total	<u>\$ 46,475</u>

The Water Authority paid the principal and interest due January 1, 2001 in December 2000.

**4. COMMITMENTS:**

The Water Authority has entered into a Water Purchase Contract with the Village of Powhatan Point, Ohio. The contract provides that the Village will deliver water to The Water Authority.

The term of the contract is 20 years from January 1, 2000 until January 1, 2020. The rates to be paid for the water delivered are as follows:

1/1/99 to 12/31/04	\$2.80 per 1000 gallons
1/1/05 to 12/31/09	3.35 per 1000 gallons
1/1/10 to 12/31/14	3.90 per 1000 gallons
1/1/15 to 12/31/19	4.50 per 1000 gallons

The initial rate was agreed upon by both parties and made retroactive to January 1, 1999. As a result of this retroactive amount The Water Authority owes the Village \$10,778 in arrearage. This amount shall be paid in 24 equal monthly installments with the first payment made on July 15, 2000.

**YORK TOWNSHIP WATER AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**5. RETIREMENT SYSTEMS**

The Water Authority's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement 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 Water Authority contributed an amount equal to 13.55% of participants' gross salaries. The Water Authority has paid all contributions required through December 31, 2000.

**6. RISK MANAGMENT**

The Water Authority has obtained commercial insurance for the following risks:

- Comprehensive property and general liability

The Water Authority is uninsured for the following risks:

- General liability
- Errors and omissions

# **SEACHRIST, KENNON & MARLING, A.C.**

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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**

York Township Water Authority  
Belmont County  
54320 Captina Drive  
Powhatan Point, Ohio 43942

To the Board of Trustees:

We have audited the accompanying financial statements of York Township Water Authority, Belmont County, Ohio (the "Water Authority"), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated June 5, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Compliance**

As part of obtaining reasonable assurance about whether the Water Authority'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Water Authority in a separate letter dated June 5, 2001.

## Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Water Authority'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 operations that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Water Authority in a separate letter dated June 5, 2001.

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

*Deachrist, Kennon & Marling, A.C.*

Wheeling, West Virginia  
June 5, 2001







STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**YORK TOWNSHIP WATER AUTHORITY**

**BELMONT COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 31, 2001**