



**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 statement of York Township, Belmont County, Ohio (the Township), as of and for the year ended December 31, 2003. This financial statement is the responsibility of the Township's management. Our responsibility is to express an opinion on this financial statement 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared this financial statement using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP).

In our opinion, the financial statement referred to above presents fairly, in all material respects, the combined fund cash balances of York Township, Belmont County, as of December 31, 2003, and its combined cash receipts and disbursements for the year 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 3, 2005, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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This report is intended solely for the information and use of the audit committee, management, the Board of Township 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.

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

Betty Montgomery
Auditor of State

June 3, 2005

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, 2003**

	<u>Governmental Fund Types</u>				<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Local Taxes	\$18,030	\$63,265	\$4,941	\$ 36,745	\$86,236
Intergovernmental	54,234	77,276	9,000		177,255
Earnings on Investments	131	26			157
Other Revenue	100				100
Total Cash Receipts	<u>72,495</u>	<u>140,567</u>	<u>13,941</u>	<u>36,745</u>	<u>263,748</u>
Cash Disbursements:					
Current:					
General Government	70,527	108			70,635
Public Safety		24,600			24,600
Public Works		96,445			96,445
Health	3,998				3,998
Debt Service:					
Redemption of Principal			8,981		8,981
Interest and Fiscal Charges			646		646
Capital Outlay	1,000	1,175		16,553	18,728
Total Cash Disbursements	<u>75,525</u>	<u>122,328</u>	<u>9,627</u>	<u>16,553</u>	<u>224,033</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(3,030)</u>	<u>18,239</u>	<u>4,314</u>	<u>20,192</u>	<u>39,715</u>
Other Financing Receipts/ (Disbursements):					
Transfers-In		337			337
Transfers-Out	(337)				(337)
Total Other Financing Receipts/(Disbursements)	<u>(337)</u>	<u>337</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(3,367)</u>	<u>18,576</u>	<u>4,314</u>	<u>20,192</u>	<u>39,715</u>
Fund Cash Balances, January 1	32,790	43,664	5,144	5	81,603
Fund Cash Balances, December 31	<u>\$29,423</u>	<u>\$62,240</u>	<u>\$9,458</u>	<u>\$20,197</u>	<u>\$121,318</u>

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

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**YORK TOWNSHIP
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of York Township, Belmont County (the Township), as a body corporate and politic. A publicly-elected three-member Board of Township Trustees directs the Township. 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 this financial statement presents all activities for which the Township is financially accountable.

B. Basis of Accounting

This financial statement follows the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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).

This statement includes adequate disclosure of material matters, as the Auditor of State prescribes or permits.

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 reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds 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 and Emergency Ambulance Fund – This fund receives property tax money to provide fire protection and ambulance services.

**YORK TOWNSHIP
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

3. Debt Service Funds

These funds account for resources the Township accumulates to pay bond and note debt. 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 account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Township had the following significant Capital Projects Fund:

Federal Emergency Management Agency (FEMA) Fund - The Township received a grant from the State of Ohio through the Emergency Management Agency to provide for road repairs.

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

A summary of 2003 budgetary activity appears in Note 3.

**YORK TOWNSHIP
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Property, Plant, and Equipment

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statement does not report these items as assets.

F. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statement does not include a liability for unpaid leave.

2. EQUITY IN POOLED CASH

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

	2003
Demand deposits	\$121,318

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Township.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2003, follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$82,066	\$72,495	(\$9,571)
Special Revenue	125,328	140,904	15,576
Debt Service	4,941	13,941	9,000
Capital Projects	36,745	36,745	0
Total	\$249,080	\$264,085	\$15,005

2003 Budgeted vs. Actual Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$88,575	\$75,862	\$12,713
Special Revenue	161,583	122,328	39,255
Debt Service	10,085	9,627	458
Capital Projects	5	16,553	(16,548)
Total	\$260,248	\$224,370	\$35,878

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the FEMA Fund by \$16,553 for the year ended December 31, 2003.

**YORK TOWNSHIP
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2003
(Continued)**

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopt rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statement includes homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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, 2003, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Note	<u>\$7,440</u>	5.25%

The Township issued a general obligation note to finance the purchase of a grader for Township road maintenance. The Township's taxing authority collateralized the note.

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

	General Obligation Note
Year ending December 31: 2004	<u>\$7,579</u>

6. RETIREMENT SYSTEMS

The Township's elected officials and employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 8.5 percent of their gross salaries. The Township contributed an amount equaling 13.55 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2004.

**YORK TOWNSHIP
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2003
(Continued)**

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.

8. CONTINGENT LIABILITIES

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

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**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
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 financial statement of York Township, Belmont County, Ohio (the Township), as of and for the year ended December 31, 2003, and have issued our report thereon dated June 3, 2005, wherein we noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statement and not to opine 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 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 management's assertions in the financial statement. Reportable conditions are described in the accompanying Schedule of Findings as items 2003-005 and 2003-006.

A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statement we audited may occur and not be timely detected by employees when 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 material weaknesses. However, we do not believe the reportable conditions described above are material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statement is free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2003-001 through 2003-004.

We intend this report solely for the information and use of the audit committee, management, and the Board of Trustees. It is not intended for 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

June 3, 2005

**YORK TOWNSHIP
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003**

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

FINDING NUMBER 2003-001

Noncompliance Citation

Ohio Rev. Code Section 505.24(C) states, in pertinent part, by unanimous vote, a board of township trustees may adopt a method of compensation consisting of an annual salary to be paid in equal monthly payments. The amount of the annual salary approved by the board shall be no more than the maximum amount that could be received annually by a trustee if the trustee were paid on a per diem basis as specified in this division, and shall be paid from the township general fund or from other township funds in such proportions as the board may specify by resolution.

During 2003, 50% of the Trustees' salaries were paid from the General Fund, 8.5% were paid from the Motor Vehicle License Tax Fund, and 41.5% were paid from the Road and Bridge Fund in the amount of \$11,142, \$1,857, and \$9,285 respectively. The Township Trustees had not adopted a resolution authorizing the payment of Township Trustee salaries from the aforementioned funds. On April 12, 2005, the Township Trustees passed a retroactive resolution authorizing 50% (\$11,142) of the 2003 Trustee salaries and benefits to be paid from the General Fund, and 8.5% (\$1,187) from the Motor Vehicle License Tax Fund, and 41.5% (\$9,285) from the Road and Bridge Fund.

We recommend the Township Trustees adopt a formal resolution at the organizational meeting each year addressing the allocation of total Trustee compensation, if payments of Trustees' salaries are to be paid from any fund besides the General Fund. Each resolution should proportionally allocate the salary and fringe benefit distribution from the various funds in the same proportion as the Township Trustees' service bears to the activities supported by such fund as determined by the Board. Benefits such as health insurance and the employer's portion of retirement and Medicare should be paid out of the same funds, and in the same proportions, as the salaries.

FINDING NUMBER 2003-002

Noncompliance Citation

Ohio Rev. Code Section 5705.10 provides that money paid into a fund may only be used for the purpose for which the fund is established. Per the Ohio Township Handbook, Section A(III)(4)(A), the Township Clerk's duties are administrative in nature and the Gasoline Tax Fund may not be used to pay for general administrative services, unless the services being paid are to trustees in relation to roads. Therefore, the Township Clerk's salary and benefits should be paid for from the Township's General Fund.

During 2003, the Township paid \$3,714 of the Township Clerk's salary from the Gasoline Tax Fund.

This adjustment, with which management agrees, has been posted to the Township's books and is reflected in the accompanying financial statement.

We recommend the Township Clerk pay all of her future salary and benefits from the Township's General Fund.

YORK TOWNSHIP
BELMONT COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2003
(Continued)

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

FINDING NUMBER 2003-003

Noncompliance Citation

Ohio Rev. Code Section 5705.41(B) prohibits a subdivision or taxing unit from making an expenditure unless it has been properly appropriated.

At December 31, 2003, the following fund reflected expenditures which exceeded appropriations:

Fund	Appropriation	Expenditure	Variance
FEMA Fund	\$0	\$16,553	(\$16,553)

We recommend the Township Clerk monitor all fund expenditures at the legal level of control to ensure expenditures remain within their respective budgeted amounts. The Township Clerk should not certify the availability of funds and should deny payment requests exceeding appropriations. The Township Clerk may request the Board to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary.

FINDING NUMBER 2003-004

Noncompliance Citation

Ohio Rev. Code Section 5705.41(D)(1) prohibits a subdivision or taxing authority from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in Ohio Rev. Code Section 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code:

- A. Then and Now Certificate - If the fiscal officer can certify that both at the time the contract or order was made and at the time that he/she is completing his/her certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any encumbrance, the taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. Amounts of less than \$3,000 (\$1,000 prior to April 7, 2003), 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.

YORK TOWNSHIP
BELMONT COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2003
(Continued)

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

FINDING NUMBER 2003-004
(Continued)

Noncompliance Citation - Ohio Rev. Code Section 5705.41(D)(1) - (Continued)

- B. Blanket Certificate – Fiscal officers may prepare “blanket” certificates not exceeding \$5,000 against any specific line item account over a period not exceeding three months or running beyond the current year. The blanket certificate may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation. Effective September 26, 2003, certificates may not exceed an amount established by resolution or ordinance of the legislative authority, and cannot extend beyond the end of the fiscal year. Blanket certificates cannot be issued unless there has been an amount approved by the legislative authority for the blanket.
- C. Super Blanket Certificate – The Township may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line-item appropriation.

Although the obligations paid by the Township had a statement indicating the purchase was lawfully appropriated or in the process of collection to the credit of the appropriate fund, and free from any previous encumbrance, this certification of available funds was not obtained prior to incurring the obligation for 50% of transactions tested and there was no evidence of a “Then and Now” certificate being used by the Township Clerk. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute, but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township’s funds exceeding budgetary spending limitations, we recommend that the Township Clerk certify that the funds are or will be available prior to an obligation being incurred by the Township. When prior certification is not possible, “then and now” certification should be used.

We recommend the Township certify purchases to which Section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language Section 5705.41(D) requires to authorize disbursements. The Township Clerk should sign the certification at the time the Township incurs a commitment, and only when the requirements of Section 5705.41(D) are satisfied. The Township Clerk should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

**YORK TOWNSHIP
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003
(Continued)**

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

FINDING NUMBER 2003-005

Reportable Condition

Ohio Admin. Code Section 117-7-01(B) states township receipts are typically classified by fund and source and lists the typical source classifications of receipts for townships. Ohio Admin. Code Section 117-7-01(C) states township disbursements from governmental and similar trust funds are typically classified by fund, program and object and lists the typical program disbursement classifications for townships.

In the Miscellaneous Debt Service Fund, local government monies received from the County Auditor in the amount of \$9,000 was posted as a miscellaneous receipt and should have been posted as an intergovernmental receipt. Also in the Miscellaneous Debt Service Fund, interest and fiscal charges in the amount of \$646 was posted as a note retirement principal payment. As a result, reclassification entries were required to reflect these receipts and disbursements within the correct receipt and appropriation classifications. This situation could result in inaccurate financial information being distributed to Township Trustees and/or grantor agencies.

We recommend the Township Clerk consult the Ohio Admin. Code Section 117-7-01 and/or the Ohio Township Handbook when monies are received and disbursed, to help ensure transactions are posted to the correct receipt and appropriation classification.

FINDING NUMBER 2003-006

Reportable Condition

Ohio Admin. Code Section 117-2-02(C)(1) requires the government's internal controls to reasonably assure that budgetary accounts are integrated into the financial accounting system. This means designing an accounting system of provide ongoing and timely information on unrealized budgetary receipts.

Estimated receipts, as reflected on the Uniform Accounting Network computer system, did not agree to the Amended Certificate of Estimated Resources. If estimated receipts are not timely updated in the accounting system, this could result in appropriations exceeding estimated resources. Also, as a result, information available for the Township Trustees to monitor budget versus actual receipts was not accurate and adjustments were made to the budgetary activity reported in Note 3 to the financial statement in order to accurately present estimated receipts as certified by the County Budget Commission. The estimated receipts, as reported in Note 3 to the financial statement, agree to the "Final Amended Certificate of Estimated Resources".

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, 2003**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2002-001	Receipts and disbursements not always posted to the correct receipt or appropriation classification.	No	Reissued as Finding No. 2003-005
2002-002	Estimated receipts not accurately posted to the computer system.	No	Reissued as Finding No. 2003-006



**Auditor of State
Betty Montgomery**

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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
JULY 5, 2005**