

**TUSCARAWAS TOWNSHIP**

**AUDIT REPORT**

**JANUARY 1, 2001 – DECEMBER 31, 2002**





**Auditor of State  
Betty Montgomery**

Board of Trustees  
Tuscarawas Township  
Coshocton, Ohio

We have reviewed the Independent Auditor's Report of the Tuscarawas Township, Coshocton County, prepared by Wolfe, Wilson, & Phillips, Inc., for the audit period January 1, 2001 through December 31, 2002. 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 Tuscarawas Township is responsible for compliance with these laws and regulations.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

May 5, 2003

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**TUSCARAWAS TOWNSHIP  
COSHOCTON COUNTY**

**ELECTED OFFICIALS  
AS OF DECEMBER 31, 2002**

<u>NAME</u>	<u>TITLE</u>	<u>TERM</u>	<u>SURETY</u>	<u>AMOUNT</u>	<u>PERIOD</u>
Donald Brown	Chairman	01/01/02-12/31/05 (A)		\$5,000	(B)
Larry Corbett	Trustee	01/01/99-12/31/02 (A)		\$5,000	(B)
Charles Selders	Trustee	01/01/00-12/31/03 (A)		\$5,000	(B)
Richard Erman 218 West Rivercrest Drive Coshocton, Ohio 43812	Clerk	04/01/00-03/31/04 (A)		\$25,000	(B)

**STATUTORY LEGAL COUNSEL**

Robert Batchelor, Prosecutor  
Coshocton County  
318 Chestnut Street  
Coshocton, OH 43812

- (A) Ohio Governmental Risk Management Plan
- (B) Concurrent with term

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**TUSCARAWAS TOWNSHIP  
COSHOCKTON COUNTY**

**INDEX OF FUNDS**

**GOVERNMENTAL FUND TYPES**

**General Fund Type:**

General Fund

**Special Revenue Fund Types:**

Motor Vehicle License Tax Fund

Gasoline Tax Fund

Road and Bridge Fund

Special Levy Fund

Permissive Tax Fund

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**WOLFE, WILSON, & PHILLIPS, INC.**  
**37 SOUTH SEVENTH STREET**  
**ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT**

Board of Trustees  
Tuscarawas Township  
Coshocton, Ohio

We have audited the accompanying financial statements of Tuscarawas 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 cash basis, which is a comprehensive basis of accounting prescribed or permitted by the Auditor of State, other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tuscarawas Township 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 a report dated March 5, 2003, on our consideration of Tuscarawas Township's internal control structure 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 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.

**Wolfe, Wilson, & Phillips, Inc.**  
Zanesville, Ohio  
March 5, 2003

**TUSCARAWAS TOWNSHIP  
COSHOCOTON 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**

	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only) Total</u>
<b>CASH RECEIPTS:</b>			
Local taxes	\$ 38,577	\$ 74,113	\$ 112,690
Charges for services	34,849	-	34,849
Licenses, permits and fees	2,750	-	2,750
Intergovernmental	33,410	66,991	100,401
Interest	4,921	910	5,831
Miscellaneous	1,525	1,560	3,085
<b>TOTAL CASH RECEIPTS</b>	<b>116,032</b>	<b>143,574</b>	<b>259,606</b>
<b>CASH DISBURSEMENTS:</b>			
Current:			
General government	65,479	1,299	66,778
Public safety services	24,245	-	24,245
Public work activities	10,013	108,607	118,620
Public health services	4,214	-	4,214
Conservation - recreation	500	-	500
Other	-	-	-
Capital outlay	10,431	27,615	38,046
<b>TOTAL CASH DISBURSEMENTS</b>	<b>114,882</b>	<b>137,521</b>	<b>252,403</b>
<b>TOTAL RECEIPTS OVER(UUNDER) CASH DISBURSEMENTS</b>	<b>1,150</b>	<b>6,053</b>	<b>7,203</b>
<b>FUND CASH BALANCES, JANUARY 1</b>	<b>158,891</b>	<b>146,703</b>	<b>305,594</b>
<b>FUND CASH BALANCES, DECEMBER 31</b>	<b>\$ 160,041</b>	<b>\$ 152,756</b>	<b>\$ 312,797</b>
<b>RESERVE FOR ENCUMBRANCES, DECEMBER 31</b>	<b>\$ 587</b>	<b>\$ 570</b>	<b>\$ 1,157</b>

See notes to financial statements.

**TUSCARAWAS TOWNSHIP  
COSHOCOTON 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**

	General	Special Revenue	(Memorandum Only) Total
<b>CASH RECEIPTS:</b>			
Local taxes	\$ 45,937	\$ 94,972	\$ 140,909
Charges for services	50,808	-	50,808
Licenses, permits and fees	5,282	-	5,282
Intergovernmental	71,418	63,697	135,115
Interest	8,380	2,600	10,980
Miscellaneous	7,488	1,725	9,213
	189,313	162,994	352,307
<b>CASH DISBURSEMENTS:</b>			
Current:			
General government	67,585	-	67,585
Public safety services	32,954	-	32,954
Public work activities	10,023	89,432	99,455
Public health services	2,697	-	2,697
Conservation - recreation	501	-	501
Capital outlay	13,595	48,835	62,430
	127,355	138,267	265,622
<b>TOTAL CASH RECEIPTS</b>			
<b>TOTAL CASH DISBURSEMENTS</b>			
<b>TOTAL RECEIPTS OVER(UNDER) CASH DISBURSEMENTS</b>	61,958	24,727	86,685
<b>FUND CASH BALANCES, JANUARY 1, RESTATED</b>	96,933	121,976	218,909
<b>FUND CASH BALANCES, DECEMBER 31</b>	\$ 158,891	\$ 146,703	\$ 305,594
<b>RESERVE FOR ENCUMBRANCES, DECEMBER 31</b>	\$ 107	\$ 27,752	\$ 27,859

See notes to financial statements.

**TUSCARAWAS TOWNSHIP  
COSHOCTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The Township of Tuscarawas, Coshocton County, is a body politic and corporate 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. The Township provides general governmental services, including road, bridge maintenance, and fire protection.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and cash 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 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. Cash and Investments**

The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

**D. 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:

**General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

**Special Revenue Funds**

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Fund:

**TUSCARAWAS TOWNSHIP  
COSHOCTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS**

**D. Fund Accounting (Continued)**

**Special Revenue Funds (Continued)**

**Motor Vehicle License Tax Fund** – This fund receives motor vehicle tax receipts for constructing, maintaining and repairing Township roads and bridges.

**Gasoline Tax Fund** – This fund receives gasoline tax receipts for constructing, maintaining and repairing Township roads and bridges.

**Road and Bridges Fund** – This fund receives real estate and personal property tax money for the construction, repair and maintenance of township roads and bridges.

**Special Levy Fund** – This fund receives taxes for fire department operations from a levy passed by the voters of the township.

**Permissive Motor Vehicle License Fund** – This fund receives county motor vehicle license tax money for the construction, repair, and maintenance of township roads and bridges.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**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. Unencumbered appropriations lapse at year end.

**Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget commission must also approve estimated resources.

**Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A Summary of 2002 and 2001 budgetary activity appears in Note 3.

**TUSCARAWAS TOWNSHIP  
COSHOCTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS**

**F. Property, Plant and Equipment**

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

**2. Equity in Pooled Cash**

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

	2002	2001
Demand deposits	\$ 125,440	\$ 105,594
Investments – Star Ohio	187,357	200,000
Total Deposits & Investments	\$ 312,797	\$ 305,594

**Deposits:**

Deposits are insured by the Federal Depository Insurance Corporation.

**Investments:**

Investments in STAR Ohio are not evidenced by securities that exists in physical or book entry form.

**3. Budgetary Activity**

Budgetary activity for the years ended December 31, 2002 and 2001 was as follows:

**2002 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	101,780	116,032	14,252
Special Revenue	155,346	143,574	(11,772)
Total	\$ 257,126	\$ 259,606	\$ 2,480

**TUSCARAWAS TOWNSHIP  
COSHOCTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS**

**3. Budgetary Activity (Continued)**

**2002 Budgeted vs. Actual Budgetary Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	260,671	115,469	145,202
Special Revenue	<u>302,049</u>	<u>138,091</u>	<u>163,958</u>
Total	<u>\$ 562,720</u>	<u>\$ 253,560</u>	<u>309,160</u>

**2001 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 114,002	\$ 189,313	\$ 75,311
Special Revenue	<u>141,335</u>	<u>162,994</u>	<u>21,659</u>
	<u>\$ 255,337</u>	<u>\$ 352,307</u>	<u>\$ 96,970</u>

**2001 Budgeted vs. Actual Budgetary Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 250,052	\$ 127,462	\$ 122,590
Special Revenue	<u>263,270</u>	<u>166,019</u>	<u>97,251</u>
Total	<u>\$ 513,322</u>	<u>\$ 293,481</u>	<u>\$ 219,841</u>

**4. Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduce 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. Payment are due to the county by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

**TUSCARAWAS TOWNSHIP  
COSHOCTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS**

**4. Property Tax (Continued)**

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. Retirement Systems**

The Township's Trustees, Clerk and other employees of the Township 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 health care, 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, members of PERS 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.

**6. Risk Management**

The Township maintains insurance coverage that provides the following coverages:

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

The Township also provides health insurance to the Township Trustees, Township Clerk, and full time employees through a private carrier.



**TUSCARAWAS TOWNSHIP  
COSHOCTON COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS**

**7. Restatement Fund Cash Balances**

A check was voided resulting in the December 31, 2000 understatement of the Special Revenue Fund balance by \$42. The effect of this change on the fund balances reported at January 1, 2001 is as follows:

	<u>Special Revenue</u>
Fund Balance as previously reported	\$121,934
Prior period adjustment	<u>42</u>
Restated Fund Balance as of January 1, 2001	<u>\$121,976</u>

**WOLFE, WILSON, & PHILLIPS, INC.  
37 SOUTH SEVENTH STREET  
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT  
OF FINANCIAL STATEMENT PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.**

Board of Trustees  
Tuscarawas Township  
Coshocton, Ohio

We have audited the financial statements of Tuscarawas Township as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated March 5, 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 Tuscarawas Township's combined 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 have noted certain immaterial instances of noncompliance that we have reported to the management of Tuscarawas Township in a separate letter dated March 5, 2003.

**Internal Control Over Financing Reporting**

In planning and performing our audit, we considered Tuscarawas Township internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the combined 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 weakness. 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 the 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 the Auditor of State and is not intended to be and should not be used by anyone other than these specified parties.

**Wolfe, Wilson, & Phillips, Inc.**  
Zanesville, Ohio  
March 5, 2003



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**TUSCARAWAS TOWNSHIP**

**COSHOCTON 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  
MAY 20, 2003**