

**TUSCARAWAS TOWNSHIP**

**AUDIT REPORT**

**JANUARY 1, 2003 – DECEMBER 31, 2004**





**Auditor of State  
Betty Montgomery**

Board of Trustees  
Tuscarawas Township  
PO Box 664  
Coshocton, Ohio 43812

We have reviewed the *Independent Auditor's Report* of Tuscarawas Township, Coshocton County, prepared by Wolfe, Wilson & Phillips, Inc., for the audit period January 1, 2003 to December 31, 2004. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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. Tuscarawas Township, Coshocton County, is responsible for compliance with these laws and regulations.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

June 8, 2005

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**TUSCARAWAS TOWNSHIP  
COSHOCTON COUNTY**

**ELECTED OFFICIALS  
AS OF DECEMBER 31, 2004**

<u>NAME</u>	<u>TITLE</u>	<u>TERM</u>	<u>SURETY</u>	<u>AMOUNT</u>	<u>PERIOD</u>
Donald Brown	Trustee	01/01/02-12/31/05 (A)		\$5,000	(C)
Larry Corbett	Trustee	01/01/03-12/31/06 (A)		\$5,000	(C)
Charles Selders	Trustee	01/01/04-12/31/07 (A)		\$5,000	(C)
Cindy Harrah P. O. Box 664 Coshocton, OH 43812	Clerk	04/01/04-03/31/08 (B)		\$85,000	(C)

**STATUTORY LEGAL COUNSEL**

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

- (A) Ohio Government Risk Management Plan
- (B) The Selective Insurance Company of America
- (C) Concurrent with term

**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

**Capital Projects Fund Types:**

Public Works Projects

**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, 2004 and 2003. 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 and *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 described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America. Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Tuscarawas Township's combined funds as of December 31, 2004 and 2003, and their changes in financial position.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserve for encumbrances of Tuscarawas Township, Coshocton County, as of December 31, 2004 and 2003, 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 May 6, 2005, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in conjunction with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

***Wolfe, Wilson, & Phillips, Inc.***  
Zanesville, Ohio  
May 6, 2005

**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, 2004**

	General	Special Revenue	(Memorandum Only) Total
<b>CASH RECEIPTS:</b>			
Local taxes	\$ 39,548	\$ 30,443	\$ 69,991
Intergovernmental	33,097	84,030	117,127
Interest	3,160	245	3,405
Miscellaneous	7,051	547	7,598
<b>TOTAL CASH RECEIPTS</b>	<b>82,856</b>	<b>115,265</b>	<b>198,121</b>
<b>CASH DISBURSEMENTS:</b>			
Current:			
General government	81,593	-	81,593
Public work activities	75,866	72,400	148,266
Public health services	4,260	-	4,260
Conservation - recreation	640	-	640
Capital outlay	5,269	20,000	25,269
<b>TOTAL CASH DISBURSEMENTS</b>	<b>167,628</b>	<b>92,400</b>	<b>260,028</b>
<b>TOTAL RECEIPTS OVER(UUNDER) CASH DISBURSEMENTS</b>	<b>(84,772)</b>	<b>22,865</b>	<b>(61,907)</b>
<b>OTHER FINANCING RECEIPTS ( DISBURSEMENTS):</b>			
Sale of fixed assets	18,000	-	18,000
Transfers-In	55,651	-	55,651
Transfers-Out	-	(55,651)	(55,651)
<b>TOTAL OTHER FINANCING RECEIPTS (DISBURSEMENTS)</b>	<b>73,651</b>	<b>(55,651)</b>	<b>18,000</b>
<b>EXCESS OF CASH RECEIPTS AND OTHER FINANCING RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS AND OTHER FINANCING DISBURSEMENTS</b>	<b>(11,121)</b>	<b>(32,786)</b>	<b>(43,907)</b>
<b>FUND CASH BALANCES, JANUARY 1</b>	<b>179,881</b>	<b>87,683</b>	<b>267,564</b>
<b>FUND CASH BALANCES, DECEMBER 31</b>	<b>\$ 168,760</b>	<b>\$ 54,897</b>	<b>\$ 223,657</b>
<b>Reserved for Encumbrances, December 31</b>	<b>\$ -</b>	<b>\$ 560</b>	<b>\$ 560</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, 2003**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>(Memorandum Only) Total</u>
<b>CASH RECEIPTS:</b>				
Local taxes	\$ 36,227	\$ 73,168	\$ -	\$ 109,395
Charges for services	42,680	-	-	42,680
Licenses, permits and fees	1,250	-	-	1,250
Intergovernmental	33,247	71,603	39,213	144,063
Interest	3,584	382	-	3,966
Miscellaneous	8,077	2,519	-	10,596
<b>TOTAL CASH RECEIPTS</b>	<u>125,065</u>	<u>147,672</u>	<u>39,213</u>	<u>311,950</u>
<b>CASH DISBURSEMENTS:</b>				
Current:				
General government	71,229	1,308	-	72,537
Public safety services	11,500	45,094	-	56,594
Public work activities	15,591	95,440	-	111,031
Public health services	5,063	-	-	5,063
Conservation - recreation	500	-	-	500
Capital outlay	1,342	70,903	39,213	111,458
<b>TOTAL CASH DISBURSEMENTS</b>	<u>105,225</u>	<u>212,745</u>	<u>39,213</u>	<u>357,183</u>
<b>TOTAL RECEIPTS OVER(UNDER) CASH DISBURSEMENTS</b>	19,840	(65,073)	-	(45,233)
<b>FUND CASH BALANCES, JANUARY 1</b>	<u>160,041</u>	<u>152,756</u>	<u>-</u>	<u>312,797</u>
<b>FUND CASH BALANCES, DECEMBER 31</b>	<u>\$ 179,881</u>	<u>\$ 87,683</u>	<u>\$ -</u>	<u>267,564</u>
<b>Reserved for Encumbrances, December 31</b>	<u>\$ 5,455</u>	<u>\$ -</u>	<u>\$ -</u>	<u>5,455</u>

See notes to financial statements.

**TUSCARAWAS TOWNSHIP  
COSHOCTON COUNTY  
NOTES TO 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, contracted with Three Rivers Fire District.

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**

All cash is maintained in a pooled checking account and STAR Ohio. 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  
COSHOCOTON COUNTY  
NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies (continued)**

**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 real estate tax money 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.

**Capital Projects Fund**

**Public Works Fund** – This fund receives Issue II money to use for capital projects.

**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.

**TUSCARAWAS TOWNSHIP  
COSHOCOTON COUNTY  
NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies (continued)**

**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 2004 and 2003 budgetary activity appears in Note 3.

**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:

	2004	2003
Demand deposits	\$ 67,805	\$ 111,801
Investments – STAR Ohio	155,852	155,763
Total Deposits	\$ 223,657	\$ 267,564

**Deposits:**

Deposits are collateralized by securities specifically pledged by the financial institution to the Township.

**Investments:**

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

**TUSCARAWAS TOWNSHIP  
COSHOCOTON COUNTY  
NOTES TO FINANCIAL STATEMENTS**

**3. Budgetary Activity**

Budgetary activity for the years ended December 31, 2004 and 2003 was as follows:

**2004 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	147,381	156,507	9,126
Special Revenue	<u>108,946</u>	<u>115,265</u>	<u>6,319</u>
	<u>\$ 256,327</u>	<u>\$ 271,772</u>	<u>\$ 15,445</u>

**2004 Budgeted vs. Actual Budgetary Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	327,261	167,628	159,633
Special Revenue	<u>196,629</u>	<u>148,611</u>	<u>48,018</u>
Total	<u>\$ 523,890</u>	<u>\$ 316,239</u>	<u>207,651</u>

**2003 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 124,912	\$ 125,065	\$ 153
Special Revenue	158,946	147,672	(11,274)
Capital Projects	<u>39,213</u>	<u>39,213</u>	<u>-</u>
	<u>\$ 323,071</u>	<u>\$ 311,950</u>	<u>\$ (11,121)</u>

**2003 Budgeted vs. Actual Budgetary Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 284,463	\$ 110,680	\$ 173,783
Special Revenue	311,702	212,745	98,957
Capital Projects	<u>39,213</u>	<u>39,213</u>	<u>-</u>
Total	<u>\$ 635,378</u>	<u>\$ 362,638</u>	<u>\$ 272,740</u>

**TUSCARAWAS TOWNSHIP  
COSHOCOTON COUNTY  
NOTES TO FINANCIAL STATEMENTS**

**4. Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the county by December 31. If the property owner elects to make semiannual payments, 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. 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 2004 and 2003, 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, 2004.

**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 and life insurance to the Township Trustees, Township Clerk, and full time employees through a private carrier.

**TUSCARAWAS TOWNSHIP  
COSHOCOTON COUNTY  
NOTES TO FINANCIAL STATEMENTS**

**7. Fund Transfer**

The Township is no longer providing fire service as of October 1, 2003. The township now contracts with Three Rivers Fire District and no longer needs to maintain the Special Levy fund. Pursuant to Ohio Revised Code 5705.14(D), the Township petitioned and received approval from the Court of Common Pleas, Coshocton County to transfer the remaining balance of \$55,651 from the Special Levy Fund to the General Fund as of March 15, 2004.

**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, 2004 and 2003, and have issued our report thereon dated May 6, 2005, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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.

**Internal Control Over Financial 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 an opinion 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 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 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.

**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 grant agreements, 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 Standard*. However, we noted immaterial instances of noncompliance that we have reported to management of Tuscarawas Township in a separate letter dated May 6, 2005.

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  
May 6, 2005





**Auditor of State  
Betty Montgomery**

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P.O. Box 1140  
Columbus, Ohio 43216-1140

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800-282-0370

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**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  
JUNE 21, 2005**