

WASHINGTON TOWNSHIP

AUDIT REPORT

JANUARY 1, 1999 – DECEMBER 31, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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1st Floor
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Washington Township
36640 Township Road 455
Dresden, Ohio 43821

We have reviewed the Independent Auditor's Report of Washington Township, Coshocton County, prepared by Wolfe, Wilson & Phillips, Inc., 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. Washington Township is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

May 30, 2001

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**WASHINGTON TOWNSHIP
COSHOCOTON COUNTY**

**36640 Township Road 455
Dresden, OH 43821**

**ELECTED OFFICIALS
AS OF DECEMBER 31, 2000**

<u>NAME</u>	<u>TITLE</u>	<u>TERM</u>	<u>SURETY</u>	<u>AMOUNT</u>	<u>PERIOD</u>
David Bower	Trustee	01/01/00-12/31/03	(A)	\$5,000	(B)
Bruce Stevens	Trustee	01/01/98-12/31/01	(A)	\$5,000	(B)
William McCoy	Trustee	01/01/98-12/31/01	(A)	\$5,000	(B)
D. Curtis Lee 36640 Township Road 455 Dresden, OH 43821	Clerk	04/01/96-03/31/00	(A)	\$10,000	(B)

STATUTORY LEGAL COUNSEL

Robert Batchelor, Prosecutor
Coshocton County
239 N. Fourth Street
Coshocton, OH 43812

(A) Ohio Government Risk Management Plan

(B) Concurrent with term

**WASHINGTON TOWNSHIP
COSHOCOTON 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

Permissive Tax Fund

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

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Washington Township
Dresden, Ohio

We have audited the accompanying financial statements of Washington Township as of and for the years ended December 31, 2000 and 1999. 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 generally accepted auditing standards 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 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 Washington Township as of December 31, 2000 and 1999, 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 April 23, 2001, on our consideration of Washington 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 the 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
April 23, 2001

**WASHINGTON TOWNSHIP
COSHOCTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN
FUND CASH BALANCES – ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	General	Special Revenue	(Memorandum Only) Total
CASH RECEIPTS:			
Local taxes	\$ 15,685	\$ 3,201	\$ 18,886
Intergovernmental	18,425	62,764	81,189
Interest	512	518	1,030
All other	-	565	565
	34,622	67,048	101,670
TOTAL CASH RECEIPTS	34,622	67,048	101,670
 CASH DISBURSEMENTS:			
Current:			
General government	32,995	-	32,995
Public safety	3,300	-	3,300
Public works	1,133	39,630	40,763
Health	1,917	1,150	3,067
Capital Outlay	-	26,211	26,211
	39,345	66,991	106,336
TOTAL CASH DISBURSEMENTS	39,345	66,991	106,336
 EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	 (4,723)	 57	 (4,666)
 FUND CASH BALANCES, JANUARY 1	 17,751	 52,831	 70,582
FUND CASH BALANCES, DECEMBER 31	\$ 13,028	\$ 52,888	\$ 65,916

See notes to financial statements.

**WASHINGTON TOWNSHIP
COSHOCOTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN
FUND CASH BALANCES FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Nonexpendable Trust
Fund Cash Balances, January 1, 2000	\$13,694
Fund Cash Balances, December 31, 2000	<u>\$13,694</u>

See notes to financial statements.

**WASHINGTON TOWNSHIP
COSHOCTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN
FUND CASH BALANCES – ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	General	Special Revenue	(Memorandum Only) Total
CASH RECEIPTS:			
Local taxes	\$ 15,048	\$ 3,071	\$ 18,119
Intergovernmental	19,079	61,662	80,741
Interest income	544	381	925
All other	136	30,931	31,067
TOTAL CASH RECEIPTS	34,807	96,045	130,852
CASH DISBURSEMENTS:			
Current:			
General government	29,364	-	29,364
Public safety	2,750	-	2,750
Public works	1,108	59,071	60,179
Health	2,156	1,150	3,306
Capital Outlay	-	8,518	8,518
TOTAL CASH DISBURSEMENTS	35,378	68,739	104,117
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(571)	27,306	26,735
FUND CASH BALANCES, JANUARY 1	18,322	25,525	43,847
FUND CASH BALANCES, DECEMBER 31	\$ 17,751	\$ 52,831	\$ 70,582

See notes to financial statements.

WASHINGTON TOWNSHIP
COSHOCOTON COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN
FUND CASH BALANCES - FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1999

	Nonexpendable Trust
Fund Cash Balances, January 1, 1999	\$13,694
Fund Cash Balances, December 31, 1999	<u>\$13,694</u>

See notes to financial statements.

**WASHINGTON TOWNSHIP
COSHOCTON COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Description of the Entity

Washington Township (the Township) 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 Township is directed by a publicly elected three-member Board of Trustees. The Township provides general governmental services, including maintenance of Township roads, cemeteries, and fire protection. The Township contracts with the Frazeyburg Volunteer Fire Department to provide 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

All cash is maintained in a pooled checking account. The Township has no investments.

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 Funds:

**WASHINGTON TOWNSHIP
COSHOCTON COUNTY**

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 to pay the part-time equipment operator’s wages.

Gasoline Tax Fund – This fund receives gasoline tax receipts for maintaining and repairing Township roads and to pay the Trustees’ salaries.

Road and Bridge Fund - This fund receives real estate and personal property tax money for the construction, repair and maintenance of Township roads and bridges.

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.

Fiduciary Funds (Trust and Agency Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Township to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. The Township had the following significant Fiduciary Funds:

Non-Expendable Trust Fund – This fund receives money from the bequests of individuals. The earnings of which are expended for the upkeep of cemeteries and the purchase of cemetery land.

E. Budgetary Process

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

**WASHINGTON TOWNSHIP
COSHOCTON COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

E. Budgetary Process (Continued)

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 2000 and 1999 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:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$ <u>79,610</u>	\$ <u>84,276</u>

Deposits:

Deposits are insured by the Federal Depository Insurance Corporation.

**WASHINGTON TOWNSHIP
COSHOCOTON COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

3. Budgetary Activity

Budgetary activity for the years ended December 31, 2000 and 1999 was as follows:

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	30,915	34,622	3,707
Special Revenue	<u>62,049</u>	<u>67,048</u>	<u>4,999</u>
Total	<u>\$ 92,964</u>	<u>\$ 101,670</u>	<u>\$ 8,706</u>

2000 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 48,665	\$ 39,345	\$ 9,320
Special Revenue	<u>114,881</u>	<u>66,991</u>	<u>47,890</u>
Total	<u>\$ 163,546</u>	<u>\$ 106,336</u>	<u>\$ 57,210</u>

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 30,211	\$ 34,807	\$ 4,596
Special Revenue	<u>60,703</u>	<u>96,045</u>	<u>35,342</u>
	<u>\$ 90,914</u>	<u>\$ 130,852</u>	<u>\$ 39,938</u>

1999 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 48,532	\$ 35,378	\$ 13,154
Special Revenue	<u>107,865</u>	<u>68,739</u>	<u>39,126</u>
Total	<u>\$ 156,397</u>	<u>\$ 104,117</u>	<u>\$ 52,280</u>

**WASHINGTON TOWNSHIP
COSHOCOTON COUNTY**

NOTES TO THE 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 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. Lease

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest
John Deere Tractor	\$ 42,946	6.90%

The tractor lease will be paid in annual installments of \$12,650, plus interest, over the next 4 years.

Annual payments of the above lease, including interest, is scheduled as follows:

Year ending December 31:	Tractor
2001	\$12,650
2002	12,650
2003	12,650
2004	12,650
Total	\$ 50,600

**WASHINGTON TOWNSHIP
COSHOCTON COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

6. Retirement Systems

The Township's Trustees, Clerk and part-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 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 2000 and 1999, 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, 2000.

7. Risk Management

The Township maintains insurance coverage through Ohio Risk Management that provides the following coverages:

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

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

**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
Washington Township
Dresden, Ohio

We have audited the financial statements of Washington Township as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated April 23, 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 Washington 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 noted certain immaterial instances of noncompliance that we have reported to the management of Washington Township in a separate letter dated April 23, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Washington 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 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 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. However, we noted certain immaterial matters concerning the internal control structure and its operation that we have reported to the management of Washington Township in a separate letter dated April 23, 2001.

Internal Control
Page two

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
April 23, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

WASHINGTON 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 7, 2001**