

**WARREN TOWNSHIP
TUSCARAWAS COUNTY**

REGULAR AUDIT

**FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007**



Mary Taylor, CPA

Auditor of State

Board of Trustees
Warren Township
4093 State Route 212 NE
Mineral City, Ohio 44656

We have reviewed the *Independent Auditors' Report* of Warren Township, Tuscarawas County, prepared by Willoughby & Company, Inc., for the audit period January 1, 2007 through December 31, 2008. 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 Auditors' 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 Auditors' 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. Warren Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 31, 2009

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WARREN TOWNSHIP
TUSCARAWAS COUNTY

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WILLOUGHBY & COMPANY, INC.

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

Warren Township
Tuscarawas County
4093 State Route 212 NE
Mineral City, Ohio 44656-8873

To the Board of Trustees:

We have audited the accompanying financial statements of the Warren Township, Tuscarawas County, Ohio (the Township) as of and for the years ended December 31, 2008 and 2007. 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 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 misstatements. 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 our audit provides a reasonable basis for our opinion.

As discussed 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 (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

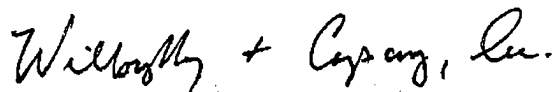
Instead of the combined funds the accompanying financial statements present, GAAP requires presenting entity wide statements and also to present the Township's (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since the Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amount reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above for the years ended December 31, 2008 and 2007 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2008 and 2007 or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Warren Township, Tuscarawas County, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2009, 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 and audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in accessing the results of our audit.



Willoughby & Company, Inc. - Certified Public Accountants

June 29, 2009

**WARREN TOWNSHIP
TUSCARAWAS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property & Other Local Taxes	\$ 43,773	\$ 52,180	\$ 95,953
Intergovernmental	55,469	104,062	159,531
Licenses, Permits & Fees	-	4,250	4,250
Earnings on Investments	4,128	1,639	5,767
Miscellaneous	11,371	3,600	14,971
Total Cash Receipts	114,741	165,731	280,472
Cash Disbursements:			
Current:			
General Government	77,864	-	77,864
Public Safety	-	18,148	18,148
Public Works	1,330	124,152	125,482
Health	4,069	2,015	6,084
Conservation - Recreation	15,741	-	15,741
Capital Outlay	-	-	-
Debt Service:			
Principal Payment	-	10,900	10,900
Interest and Fiscal Charges	-	1,994	1,994
Total Cash Disbursements	99,004	157,209	256,213
Excess Receipts Over (Under) Disbursements	15,737	8,522	24,259
Other Financing Receipts and (Disbursements)			
Sale of Note	-	-	-
Other Financing Sources	8	224	232
Total Other Financing Receipts and (Disbursements)	8	224	232
Net Change in Fund Balances	15,745	8,746	24,491
Fund Cash Balances, January 1	87,618	148,301	235,919
Fund Cash Balances, December 31	\$ 103,363	\$ 157,047	\$ 260,410

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

WARREN TOWNSHIP
TUSCARAWAS COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND CASH BALANCES
NON EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>NON EXPENDABLE TRUST</u>
Cash Receipts:	
Earnings on Invesments	<u>\$ 2,048</u>
Total Cash Receipts	<u>2,048</u>
Cash Disbursements:	
Current:	
General Government	332
Health	<u>8</u>
Total Cash Disbursements	<u>340</u>
Total Receipts Over/(Under) Disbursements	1,708
Fund Cash Balances, January 1	<u>41,733</u>
Fund Cash Balances, December 31	<u><u>\$ 43,441</u></u>

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

**WARREN TOWNSHIP
TUSCARAWAS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property & Other Local Taxes	\$ 43,510	\$ 42,418	\$ 85,928
Intergovernmental	38,068	101,015	139,083
Licenses, Permits & Fees	-	2,050	2,050
Earnings on Investments	5,637	2,353	7,990
Miscellaneous	51	800	851
	<u>87,266</u>	<u>148,636</u>	<u>235,902</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
General Government	76,355	-	76,355
Public Safety	1,846	14,346	16,192
Public Works	1,300	83,398	84,698
Health	7,082	1,746	8,828
Conservation - Recreation	3,736	-	3,736
Capital Outlay	1	54,188	54,189
Debt Service:			
Principal Payment	-	10,259	10,259
Interest and Fiscal Charges	-	1,684	1,684
	<u>90,320</u>	<u>165,621</u>	<u>255,941</u>
Total Cash Disbursements			
Excess Receipts Over (Under) Disbursements	<u>(3,054)</u>	<u>(16,985)</u>	<u>(20,039)</u>
Other Financing Receipts and (Disbursements)			
Sale of Note	-	54,188	54,188
Other Financing Sources	66	3,253	3,319
	<u>66</u>	<u>57,441</u>	<u>57,507</u>
Total Other Financing Receipts and (Disbursements)			
Net Change in Fund Balances	(2,988)	40,456	37,468
Fund Cash Balances, January 1	<u>90,606</u>	<u>107,845</u>	<u>198,451</u>
Fund Cash Balances, December 31	<u>\$ 87,618</u>	<u>\$ 148,301</u>	<u>\$ 235,919</u>

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

WARREN TOWNSHIP
TUSCARAWAS COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND CASH BALANCES
NON EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>NON EXPENDABLE TRUST</u>
Cash Receipts:	
Earnings on Invesments	\$ 2,228
	<hr/>
Total Cash Receipts	2,228
	<hr/>
Cash Disbursements:	
Current:	
General Government	190
Health	0
	<hr/>
Total Cash Disbursements	190
	<hr/>
Total Receipts Over/(Under) Disbursements	2,038
	<hr/>
Fund Cash Balances, January 1	39,695
	<hr/>
Fund Cash Balances, December 31	<u>\$ 41,733</u>

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

**WARREN TOWNSHIP
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Warren Township, Tuscarawas County, (the Township), 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 of Trustees and a publicly elected Fiscal Officer. The Township provides general governmental services including road and bridge maintenance. The Township contracts with Sherrodsville Volunteer Fire Department, Inc. and Fairfield Township Fire Department to provide fire protection services. The Township contracts with Smith Ambulance to provide ambulatory and emergency medical services.

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 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 budgetary 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 Township maintains a pooled interest bearing checking account that is used by all funds. Also, Township has a Platinum/Super Plus Savings account that is used by all funds. No other investments are held by the Township. The Township values certificates of deposit at cost.

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**WARREN TOWNSHIP
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Special Revenue Funds

These funds are used to 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:

Gasoline Tax Fund – This fund receives gasoline tax money to pay for constructing, maintaining and repairing Township roads.

Road and Bridge Fund – This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

3. 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 non-expendable trust fund. Other trust funds are classified as expendable. Funds for which the Township is acting in an agency capacity are classified as agency funds. The Township had the following significant Fiduciary Funds:

The Hindman and Lappin funds are non-expendable cemetery endowment trust funds.

E. 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. Unencumbered appropriations lapse at year-end.

2. 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.

3. Encumbrances

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

A summary of 2008 and 2007 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

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

**WARREN TOWNSHIP
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2008	2007
Demand deposits	\$ 269,851	\$ 243,652
Certificate of Deposit	34,000	34,000
Total deposits	\$ 303,851	\$ 277,652

Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by securities specifically pledged by the financial institution to the Township, or (3) collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2008 and 2007 follows:

2008 Budget vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 114,749	\$ 114,749	\$ -
Special Revenue	165,955	165,955	-
Non Expendable Trust	2,048	2,048	-
Total	\$ 282,752	\$ 282,752	\$ -

2008 Budget vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 149,172	\$ 99,004	\$ 50,168
Special Revenue	183,905	157,209	26,696
Non Expendable Trust	3,050	340	2,710
Total	\$ 336,127	\$ 256,553	\$ 79,574

2007 Budget vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 87,332	\$ 87,332	\$ -
Special Revenue	206,077	206,077	-
Non Expendable Trust	2,228	2,228	-
Total	\$ 295,637	\$ 295,637	\$ -

2007 Budget vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 162,493	\$ 90,320	\$ 72,173
Special Revenue	249,519	165,621	83,898
Non Expendable Trust	3,050	190	2,860
Total	\$ 415,062	\$ 256,131	\$ 158,931

**WARREN TOWNSHIP
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

4. PROPERTY TAX

Real property taxes become a lien on January 1 proceeding 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 payment, the first half is due in February. The second half payment is due the following July.

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, 2008 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Equipment Note	\$ 33,029	5.11 %

A note was issued to purchase a tractor, with mower attachment, for the road department. The Township entered into the note on May 9, 2007 in the original amount of \$54,188. The agreement was collateralized by the equipment and the Township's taxing authority (to be repaid by property tax revenues).

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

	<u>Equipment Note</u>
Year ending December 31:	
2009	\$ 12,585
2010	12,029
2011	11,473
2012	346
Total	\$ 36,433

**WARREN TOWNSHIP
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

6. RETIREMENT SYSTEM

The Township's elected officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multi-employer plan. This plan provides retirement benefits, including post retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2008 and 2007, members of PERS contributed 10.00% and 9.5% of their gross salaries. The Township contributed an amount equal to 14% and 13.85% of participants' gross salaries. The Township has paid all contributions required through December 31, 2008.

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

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

The Township also provides health insurance and dental and vision coverage to its full-time employee through a private carrier.

8. BUILDING PURCHASE

During 2007, the Township purchased a building in New Cumberland from the Tuscarawas Valley Local Schools for \$1 that is being used as a community center. The amount paid for the building is shown as a capital outlay line item in the General Fund.



WILLOUGHBY & COMPANY, INC.

Certified Public Accountants

216 North Broadway, P.O. Box 1021, New Philadelphia, Ohio 44663

Phone (330) 602-1322 • Fax (330) 602-2610

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Warren Township
Tuscarawas County
4093 State Route 212 NE
Mineral City, Ohio 44656-8873

To the Board of Trustees:

We have audited the financial statements of the Warren Township, Tuscarawas County, (the Township) as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated June 29, 2009, 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 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 as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

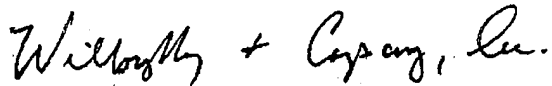
A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of management and the Board of Trustees. It is not intended for anyone other than these specified parties.



Willoughby & Company, Inc. - Certified Public Accountants

June 29, 2009



Mary Taylor, CPA
Auditor of State

WARREN TOWNSHIP

TUSCARAWAS 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
AUGUST 13, 2009