

VIRGINIA TOWNSHIP
AUDIT REPORT
JANUARY 1, 2001 – DECEMBER 31, 2002



**Auditor of State
Betty Montgomery**

Board of Trustees
Virginia Township

We have reviewed the Independent Auditor's Report of Virginia 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. Virginia Township is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

March 18, 2003

This Page is Intentionally Left Blank.

**VIRGINIA TOWNSHIP
COSHOCOTON 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>
Kerry Stone	Trustee	01/01/00-12/31/03 (A)		\$5,000	(B)
Burvil Wright	Trustee	01/01/02-12/31/05 (A)		\$5,000	(B)
Paul Napier	Trustee	01/01/02-12/31/05 (A)		\$5,000	(B)
Verna Napier 16824 TR 294 Conesville, OH 43811	Clerk	04/01/00-03/31/04 (A)		\$10,000	(B)

STATUTORY LEGAL COUNSEL

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

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

**VIRGINIA 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

Permissive Tax Fund

Fire District – Special Levy Fund

FIDUCIARY FUND TYPES

Nonexpendable Trust Fund Types:

Cemetery Bequest

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

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Virginia Township
Conesville, Ohio

We have audited the accompanying financial statements of Virginia 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 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 accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Virginia 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 February 21, 2003, on our consideration of Virginia 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
February 21, 2003

**VIRGINIA 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, 2002**

	General	Special Revenue	(Memorandum Only) Total
CASH RECEIPTS:			
Local taxes	\$ 10,118	\$ 14,251	\$ 24,369
Intergovernmental	15,839	60,037	75,876
Interest	488	252	740
Miscellaneous	843	-	843
TOTAL CASH RECEIPTS	27,288	74,540	101,828
CASH DISBURSEMENTS:			
Current:			
General government	14,316	-	14,316
Public safety services	-	7,086	7,086
Public work activities	864	70,610	71,474
Public health services	4,593	-	4,593
Capital Outlay	396	-	396
TOTAL CASH DISBURSEMENTS	20,169	77,696	97,865
TOTAL RECEIPTS OVER(UNDER) CASH DISBURSEMENTS	7,119	(3,156)	3,963
OTHER FINANCING SOURCES:			
Other sources	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-
TOTAL CASH RECEIPTS AND OTHER FINANCING SOURCES OVER (UNDER) CASH DISBURSEMENTS	7,119	(3,156)	3,963
FUND CASH BALANCES, JANUARY 1	35,246	55,045	90,291
FUND CASH BALANCES, DECEMBER 31	\$ 42,365	\$ 51,889	\$ 94,254

See notes to financial statements.

**VIRGINIA 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, 2001**

	General	Special Revenue	(Memorandum Only) Total
CASH RECEIPTS:			
Local taxes	\$ 10,946	\$ 15,348	\$ 26,294
Intergovernmental	16,949	58,760	75,709
Interest	932	707	1,639
Miscellaneous	504	-	504
TOTAL CASH RECEIPTS	29,331	74,815	104,146
CASH DISBURSEMENTS:			
Current:			
General government	14,937	-	14,937
Public safety services	-	3,805	3,805
Public work activities	882	71,046	71,928
Public health services	4,032	-	4,032
Capital Outlay	567	-	567
TOTAL CASH DISBURSEMENTS	20,418	74,851	95,269
TOTAL RECEIPTS OVER(UNDER) CASH DISBURSEMENTS	8,913	(36)	8,877
OTHER FINANCING SOURCES:			
Other sources	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-
TOTAL CASH RECEIPTS AND OTHER FINANCING SOURCES OVER (UNDER) CASH DISBURSEMENTS	8,913	(36)	8,877
FUND CASH BALANCES, JANUARY 1	26,333	55,081	81,414
FUND CASH BALANCES, DECEMBER 31	\$ 35,246	\$ 55,045	\$ 90,291

See notes to financial statements.

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

1. Summary of Significant Accounting Policies

A. Description of the Entity

The Township of Virginia, 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 four member Board. The Township provides general governmental services, including road, bridge and cemetery maintenance. Police Protection is provided by the Coshocton County Sheriff's Department. The Township contracts with Franklin Township 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 Fund:

**VIRGINIA TOWNSHIP
COSHOCOTON COUNTY
NOTES TO 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.

Fire District Fund – This fund receives real estate tax for the cost associated with the fire protection contract with Franklin 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.

Fiduciary Fund (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. The Township had the following significant fiduciary funds:

Cemetery Bequest Fund – This fund is used to account for the maintenance and care of the cemetery. There was no activity during the audit period. As such, fund balance at December 31, 2002 and 2001 is \$68.

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.

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

E. Budgetary Process (Continued)

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.

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>2002</u>	<u>2001</u>
Demand deposits	\$ <u>94,254</u>	\$ <u>90,291</u>

Deposits:

Deposits are collateralized by securities specifically pledged by the financial institution to the Township and by the Federal Depository Insurance Corporation.

**VIRGINIA TOWNSHIP
COSHOCTON COUNTY
NOTES TO FINANCIAL STATEMENTS**

3. Budgetary Activity

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

2002 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	28,252	27,288	(964)
Special Revenue	<u>79,877</u>	<u>74,540</u>	<u>(5,337)</u>
Total	<u>\$ 108,129</u>	<u>\$ 101,828</u>	<u>\$ (6,301)</u>

2002 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	63,500	20,169	43,331
Special Revenue	<u>134,920</u>	<u>77,696</u>	<u>57,224</u>
Total	<u>\$ 198,420</u>	<u>\$ 97,865</u>	<u>100,555</u>

2001 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 27,374	\$ 29,331	\$ 1,957
Special Revenue	<u>79,140</u>	<u>74,815</u>	<u>(4,325)</u>
	<u>\$ 106,514</u>	<u>\$ 104,146</u>	<u>\$ (2,368)</u>

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

3. Budgetary Activity (Continued)

2001 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 53,709	\$ 20,418	\$ 33,291
Special Revenue	<u>134,219</u>	<u>74,851</u>	<u>59,368</u>
Total	<u>\$ 187,928</u>	<u>\$ 95,269</u>	<u>\$ 92,659</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.

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.

**VIRGINIA TOWNSHIP
COSHOCTON COUNTY
NOTES TO FINANCIAL STATEMENTS**

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.

**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
Virginia Township
Conesville, Ohio

We have audited the financial statements of Virginia Township as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated February 21, 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 Virginia 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 Virginia Township in a separate letter dated February 21, 2003.

Internal Control Over Financing Reporting

In planning and performing our audit, we considered Virginia 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
February 21, 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

VIRGINIA 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
APRIL 1, 2003**