

**WASHINGTON TOWNSHIP**

**AUDIT REPORT**

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





**Auditor of State  
Betty Montgomery**

Board of Trustees  
Washington Township  
36640 Township Road 455  
Dresden, OH 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, 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. Washington Township is responsible for compliance with these laws and regulations.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

June 5, 2003

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**WASHINGTON TOWNSHIP  
COSHOCTON COUNTY**

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

**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>
David Bower	Trustee	01/01/00-12/31/03	(A)	\$5,000	(B)
Harold Dickerson	Trustee	01/01/02-12/31/05	(A)	\$5,000	(B)
David Ferrell	Trustee	01/01/02-12/31/05	(A)	\$5,000	(B)
D. Curtis Lee 36640 Township Road 455 Dresden, OH 43821	Clerk	04/01/00-03/31/04	(A)	\$10,000	(B)

**STATUTORY LEGAL COUNSEL**

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

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

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**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

**Fiduciary Fund Type:**

Cemetery Non-Expendable Trust Fund

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**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, 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 Washington 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 May 23, 2003, 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  
May 23, 2003

**WASHINGTON 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	\$ 17,543	\$ 3,580	\$ 21,123
Intergovernmental	16,627	62,178	78,805
Interest	151	252	403
Miscellaneous	532	271	803
<b>TOTAL CASH RECEIPTS</b>	<u>34,853</u>	<u>66,281</u>	<u>101,134</u>
<b>CASH DISBURSEMENTS:</b>			
Current:			
General government	27,936	-	27,936
Public safety services	5,300	-	5,300
Public work activities	1,298	50,786	52,084
Public health services	1,977	1,000	2,977
Capital outlay	-	12,650	12,650
<b>TOTAL CASH DISBURSEMENTS</b>	<u>36,511</u>	<u>64,436</u>	<u>100,947</u>
<b>TOTAL RECEIPTS OVER(UNDER) CASH DISBURSEMENTS</b>	(1,658)	1,845	187
<b>FUND CASH BALANCES, JANUARY 1</b>	<u>22,101</u>	<u>54,039</u>	<u>76,140</u>
<b>FUND CASH BALANCES, DECEMBER 31</b>	<u><u>\$ 20,443</u></u>	<u><u>\$ 55,884</u></u>	<u><u>\$ 76,327</u></u>

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, 2002

	<u>Nonexpendable Trust</u>
FUND CASH BALANCES, JANUARY 1	<u>\$ 13,694</u>
FUND CASH BALANCES, DECEMBER 31	<u><u>\$ 13,694</u></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, 2001**

	General	Special Revenue	(Memorandum Only) Total
<b>CASH RECEIPTS:</b>			
Local taxes	\$ 17,178	\$ 3,506	\$ 20,684
Intergovernmental	24,006	60,472	84,478
Interest	289	461	750
Miscellaneous	9,716	753	10,469
<b>TOTAL CASH RECEIPTS</b>	51,189	65,192	116,381
<b>CASH DISBURSEMENTS:</b>			
Current:			
General government	28,636	-	28,636
Public safety services	3,300	-	3,300
Public work activities	1,264	50,241	51,505
Public health services	1,684	1,150	2,834
Capital outlay	7,232	12,650	19,882
<b>TOTAL CASH DISBURSEMENTS</b>	42,116	64,041	106,157
<b>TOTAL RECEIPTS OVER(Under) CASH DISBURSEMENTS</b>	9,073	1,151	10,224
<b>FUND CASH BALANCES, JANUARY 1, RESTATED</b>	13,028	52,888	65,916
<b>FUND CASH BALANCES, DECEMBER 31</b>	\$ 22,101	\$ 54,039	\$ 76,140

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, 2001

	<u>Nonexpendable Trust</u>
FUND CASH BALANCES, JANUARY 1	<u>\$ 13,694</u>
FUND CASH BALANCES, DECEMBER 31	<u><u>\$ 13,694</u></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 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>90,021</u>	\$ <u>89,834</u>

**Deposits:**

Deposits are insured by the Federal Depository Insurance Corporation.

**WASHINGTON TOWNSHIP  
COSHOCTON COUNTY**

**NOTES TO THE 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	33,718	34,853	1,135
Special Revenue	<u>69,533</u>	<u>66,281</u>	<u>(3,252)</u>
Total	<u>\$ 103,251</u>	<u>\$ 101,134</u>	<u>\$ (2,117)</u>

**2002 Budgeted vs. Actual Budgetary Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 55,819	\$ 36,511	\$ 19,308
Special Revenue	<u>123,572</u>	<u>64,436</u>	<u>59,136</u>
Total	<u>\$ 179,391</u>	<u>\$ 100,947</u>	<u>\$ 78,444</u>

**2001 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 42,834	\$ 51,189	\$ 8,355
Special Revenue	<u>68,685</u>	<u>65,192</u>	<u>(3,493)</u>
	<u>\$ 111,519</u>	<u>\$ 116,381</u>	<u>\$ 4,862</u>

**2001 Budgeted vs. Actual Budgetary Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 55,861	\$ 42,116	\$ 13,745
Special Revenue	<u>121,575</u>	<u>64,041</u>	<u>57,534</u>
Total	<u>\$ 177,436</u>	<u>\$ 106,157</u>	<u>\$ 71,279</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, 2002 was as follows:

	Principal	Interest
John Deere Tractor	\$ 35,501	6.90%

The tractor lease will be paid in annual installments of \$12,650, plus interest, over the next 3 years.

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

Year ending December 31:	Tractor
2003	12,650
2004	12,650
2005	12,650
Total	\$ 37,950

**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 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.

**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, 2002 and 2001, and have issued our report thereon dated May 23, 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 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 May 23, 2003.

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 May 23, 2003.

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  
May 23, 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

**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 19, 2003**