

LINTON TOWNSHIP

AUDIT REPORT

JANUARY 1, 2003 – DECEMBER 31, 2004



**Auditor of State
Betty Montgomery**

Board of Trustees
Linton Township, Coshocton County
P.O. Box 512
Plainfield, OH 43836

We have reviewed the *Independent Auditor's Report* of Linton Township, Coshocton County, prepared by Wolfe, Wilson, & Phillips, Inc., for the audit period January 1, 2003 through 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. Linton Township, Coshocton County is responsible for compliance with these laws and regulations.

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

BETTY MONTGOMERY
Auditor of State

May 19, 2005

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**LINTON 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>
Garry H. Buchanan	Trustee	01/01/02-12/31/05 (A)		\$1,000	(B)
Gordon Hart	Trustee	01/01/02-12/31/05 (A)		\$1,000	(B)
James Porteus	Trustee	01/01/00-12/31/04 (A)		\$1,000	(B)
Leroy J. Wilden Box 512 Plainfield, OH 43836	Clerk	04/01/04-03/31/08 (A)		\$3,000	(B)

STATUTORY LEGAL COUNSEL

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

- (A) The Personal Service Insurance Co.
(B) Concurrent with term

**LINTON 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

Cemetery Fund

Permissive Tax Fund

Fire District – Special Levy Fund

FIDUCIARY FUND TYPES

Nonexpendable Trust Fund Types:

BMB Cemetery Bequest

75% Cemetery Bequest

25% Cemetery Bequest

Fowler Estate Bequest

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

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Linton Township
Plainfield, Ohio

We have audited the accompanying financial statements of Linton 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 Linton 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 Linton 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 Linton 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

**LINTON 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
CASH RECEIPTS:			
Local taxes	\$ 17,810	\$ 13,620	\$ 31,430
Fines and forfeitures	-	236	236
Intergovernmental	15,771	86,754	102,525
Interest	214	246	460
Miscellaneous	77	7,305	7,382
TOTAL CASH RECEIPTS	33,872	108,161	142,033
CASH DISBURSEMENTS:			
Current:			
General government	24,492	-	24,492
Public safety services	-	6,344	6,344
Public work activities	-	75,494	75,494
Public health services	181	4,027	4,208
Capital outlay	329	3,065	3,394
Debt service	-	10,478	10,478
TOTAL CASH DISBURSEMENTS	25,002	99,408	124,410
TOTAL RECEIPTS OVER(Under) CASH DISBURSEMENTS	8,870	8,753	17,623
FUND CASH BALANCES, JANUARY 1	23,611	48,228	71,839
FUND CASH BALANCES, DECEMBER 31	\$ 32,481	\$ 56,981	\$ 89,462
Reserved for Encumbrances, December 31	\$ -	\$ -	\$ -

See notes to financial statements.

**LINTON TOWNSHIP
COSHOCOTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCE
SIMILAR FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004**

	NON-EXPENDABLE TRUST
CASH RECEIPTS:	
Interest	\$ 127
Contributions	10,000
TOTAL CASH RECEIPTS	10,127
TOTAL CASH DISBURSEMENTS:	
Salaries	40
Supplies and materials	170
TOTAL CASH DISBURSEMENTS	210
TOTAL RECEIPT OVER DISBURSEMENTS	9,917
FUND CASH BALANCE , JANUARY 1	15,607
FUND CASH BALANCE, DECEMBER 31	\$ 25,524
Reserved for Encumbrances, December 31	\$ -

See notes to financial statements.

**LINTON 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**

	General	Special Revenue	(Memorandum Only) Total
CASH RECEIPTS:			
Local taxes	\$ 16,155	\$ 12,756	\$ 28,911
Intergovernmental	15,591	70,578	86,169
Interest	209	257	466
Miscellaneous	258	1,776	2,034
TOTAL CASH RECEIPTS	32,213	85,367	117,580
CASH DISBURSEMENTS:			
Current:			
General government	24,874	-	24,874
Public safety services	1,145	3,624	4,769
Public work activities	-	62,679	62,679
Public health services	2,431	1,102	3,533
Capital outlay	6,150	7,700	13,850
Debt service	-	10,963	10,963
TOTAL CASH DISBURSEMENTS	34,600	86,068	120,668
TOTAL RECEIPTS OVER(UUNDER) CASH DISBURSEMENTS	(2,387)	(701)	(3,088)
FUND CASH BALANCES, JANUARY 1	25,998	48,929	74,927
FUND CASH BALANCES, DECEMBER 31	\$ 23,611	\$ 48,228	\$ 71,839
Reserved for Encumbrances, December 31	\$ -	\$ 1,124	\$ 1,124

See notes to financial statements.

**LINTON TOWNSHIP
COSHOCTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCE
SIMILAR FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>NON-EXPENDABLE TRUST</u>
CASH RECEIPTS:	
Interest	<u>\$ 296</u>
TOTAL CASH RECEIPTS	296
TOTAL CASH DISBURSEMENTS:	
Salaries	608
Supplies and materials	<u>31</u>
TOTAL CASH DISBURSEMENTS	<u>639</u>
TOTAL RECEIPT OVER DISBURSEMENTS	(343)
FUND CASH BALANCE , JANUARY 1	<u>15,950</u>
FUND CASH BALANCE, DECEMBER 31	<u>\$ 15,607</u>
Reserved for Encumbrances, December 31	<u>\$ -</u>

See notes to financial statements.

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

1. Summary of Significant Accounting Policies

A. Description of the Entity

The Township of Linton, 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. The Township contracts with the Village of West Lafayette 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. Certificates of deposit are valued at cost.

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:

**LINTON 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.

Cemetery Fund – This fund generates money through the selling of cemetery lots and donations from the general public. This money is disbursed for the maintenance and upkeep of township cemeteries.

Fire District Fund – This fund receives real estate tax for the cost associated with the fire protection contract with the Village of West Lafayette.

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:

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.

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

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

1. Summary of Significant Accounting Policies (continued)

E. Appropriations (continued)

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 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	\$ 92,724	\$ 75,184	
Certificate of deposit	22,262	12,262	
Total Deposits	\$ 114,986	\$ 87,446	

Deposits:

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

3. Budgetary Activity

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

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

3. Budgetary Activity (Continued)

2004 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	30,651	33,872	3,221
Special Revenue	94,633	108,161	13,528
Fiduciary	<u>800</u>	<u>10,127</u>	<u>9,327</u>
Total	<u>\$ 126,084</u>	<u>\$ 152,160</u>	<u>\$ 26,076</u>

2004 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	44,000	25,002	18,998
Special Revenue	126,899	99,408	27,491
Fiduciary	<u>3,600</u>	<u>210</u>	<u>3,390</u>
Total	<u>\$ 174,499</u>	<u>\$ 124,620</u>	<u>49,879</u>

2003 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 32,110	\$ 32,213	\$ 103
Special Revenue	91,575	85,367	(6,208)
Fiduciary	<u>800</u>	<u>296</u>	<u>(504)</u>
	<u>\$ 124,485</u>	<u>\$ 117,876</u>	<u>\$ (6,609)</u>

2003 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 48,000	\$ 34,600	\$ 13,400
Special Revenue	119,100	87,192	31,908
Fiduciary	<u>4,400</u>	<u>639</u>	<u>3,761</u>
Total	<u>\$ 171,500</u>	<u>\$ 122,431</u>	<u>\$ 49,069</u>

**LINTON 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 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. Debt

The debt outstanding for the grader was paid off in 2004.

6. 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.

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 and life 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
Linton Township
Plainfield, Ohio

We have audited the financial statements of Linton 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 Linton 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 Linton 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 Linton 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**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

**LINTON 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
MAY 31, 2005**