

TIVERTON TOWNSHIP

AUDIT REPORT

JANUARY 1, 2001 – DECEMBER 31, 2002



**Auditor of State
Betty Montgomery**

Board of Trustees
Tiverton Township
31277 State Route 206
Walhonding, OH 43843

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

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

June 9, 2003

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**TIVERTON TOWNSHIP
COSHOCTON COUNTY**

**31277 State Route 206
Walhonding, Ohio 43843**

**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>
Douglas Schonauer	Trustee	01/01/98-12/31/02	(A)	\$5,000	(B)
Roger Jones	Trustee	01/01/00-12/31/03	(A)	\$5,000	(B)
Edmund Hillegrass	Trustee	01/01/98-12/31/02	(A)	\$5,000	(B)
Linda Jones 31277 State Route 206 Walhonding, Ohio 43843	Clerk	04/01/00-03/31/04	(A)	\$25,000	(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

**TIVERTON 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

Cemetery Fund

Permissive Tax Fund

Fiduciary Fund Type:

Cemetery Non-Expendable Trust Fund

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

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Tiverton Township
Walhonding, Ohio

We have audited the accompanying financial statements of Tiverton 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 generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tiverton 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 March 24, 2003, on our consideration of Tiverton 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 conjunction 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
March 24, 2003

**TIVERTON 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**

	General	Special Revenue	(Memorandum Only) Total
CASH RECEIPTS:			
Local taxes	\$ 21,796	\$ 1,203	\$ 22,999
Intergovernmental	15,963	58,372	74,335
Interest	1,225	1,277	2,502
Loan proceeds	-	15,000	15,000
Sale of asset	-	12,900	12,900
Miscellaneous	370	1,075	1,445
TOTAL CASH RECEIPTS	39,354	89,827	129,181
CASH DISBURSEMENTS:			
Current:			
General government	21,787	-	21,787
Public work activities	504	42,860	43,364
Public health services	5,363	940	6,303
Other	-	-	-
Capital outlay	21,528	35,842	57,370
TOTAL CASH DISBURSEMENTS	49,182	79,642	128,824
TOTAL RECEIPTS OVER(UUNDER) CASH DISBURSEMENTS	(9,828)	10,185	357
FUND CASH BALANCES, JANUARY 1	21,805	39,564	61,369
FUND CASH BALANCES, DECEMBER 31	\$ 11,977	\$ 49,749	\$ 61,726

See notes to financial statements.

**TIVERTON 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>\$ 14,724</u>
FUND CASH BALANCES, DECEMBER 31	<u><u>\$ 14,724</u></u>

See notes to financial statements.

**TIVERTON 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, 2001**

	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only) Total</u>
CASH RECEIPTS:			
Local taxes	\$ 14,869	\$ -	\$ 14,869
Licenses, permits and fees	-	200	200
Intergovernmental	17,262	57,900	75,162
Interest	1,731	1,733	3,464
Sale of materials	-	3,770	3,770
Miscellaneous	677	825	1,502
TOTAL CASH RECEIPTS	34,539	64,428	98,967
CASH DISBURSEMENTS:			
Current:			
General government	21,314	-	21,314
Public work activities	438	58,027	58,465
Public health services	4,979	785	5,764
Capital outlay	2,437	15,624	18,061
TOTAL CASH DISBURSEMENTS	29,168	74,436	103,604
TOTAL RECEIPTS OVER(UNDER) CASH DISBURSEMENTS	5,371	(10,008)	(4,637)
FUND CASH BALANCES, JANUARY 1	16,434	49,572	66,006
FUND CASH BALANCES, DECEMBER 31	\$ 21,805	\$ 39,564	\$ 61,369

See notes to financial statements.

**TIVERTON 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>\$ 14,724</u>
FUND CASH BALANCES, DECEMBER 31	<u><u>\$ 14,724</u></u>

See notes to financial statements.

**TIVERTON TOWNSHIP
COSHOCTON COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Description of the Entity

Tiverton 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 and cemeteries.

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 Deposits 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 Funds:

**TIVERTON 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.

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

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.

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.

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.

**TIVERTON TOWNSHIP
COSHOCTON COUNTY**

NOTES TO THE 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	\$ 61,726	\$ 61,369
Certificate of Deposits	<u>14,724</u>	<u>14,724</u>
Total Deposits	<u>\$ 76,450</u>	<u>\$ 76,093</u>

2. Equity in Pooled Cash (Continued)

Deposits:

Deposits are insured by the Federal Depository Insurance Corporation.

**TIVERTON 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	\$ 32,875	\$ 39,354	\$ 6,479
Special Revenue	<u>82,359</u>	<u>89,827</u>	<u>7,468</u>
Total	<u>\$ 115,234</u>	<u>\$ 129,181</u>	<u>\$ 13,947</u>

2002 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 54,680	\$ 49,182	\$ 5,498
Special Revenue	<u>121,923</u>	<u>79,642</u>	<u>42,281</u>
Total	<u>\$ 176,603</u>	<u>\$ 128,824</u>	<u>\$ 47,779</u>

2001 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 30,648	\$ 34,539	\$ 3,891
Special Revenue	<u>67,630</u>	<u>64,428</u>	<u>(3,202)</u>
	<u>\$ 98,278</u>	<u>\$ 98,967</u>	<u>\$ 689</u>

2001 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 47,082	\$ 29,168	\$ 17,914
Special Revenue	<u>117,203</u>	<u>74,436</u>	<u>42,767</u>
Total	<u>\$ 164,285</u>	<u>\$ 103,604</u>	<u>\$ 60,681</u>

**TIVERTON TOWNSHIP
COSHOCTON 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. Debt

Debt outstanding at December 31, 2002 was as follows:

	Principal	Interest
Note Payable:		
Financial Institution – Dump Truck	\$ 15,000	4.50%

The secured loan to the financial institution relates to the purchase of a new dump truck. The loan will be repaid in annual installments of \$5,457 including interest at 4.50%. The following schedule is a summary of the expected maturities of the above obligation.

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

Year ending December 31:	Tractor
2003	5,457
2004	5,457
2005	5,457
Total	\$ 16,371

**TIVERTON 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

**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
Tiverton Township
Walhonding, Ohio

We have audited the financial statements of Tiverton Township as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated March 24, 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 Tiverton 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 Tiverton Township in a separate letter dated March 24, 2003.

Internal Control Over Financing Reporting

In planning and performing our audit, we considered Tiverton 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.

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
March 24, 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

TIVERTON 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 24, 2003**