

BEDFORD TOWNSHIP

AUDIT REPORT

JANUARY 1, 2003 – DECEMBER 31, 2004



**Auditor of State
Betty Montgomery**

Board of Trustees
Bedford Township
25081 St. Rt 79
Warsaw. OH 43844

We have reviewed the Independent Auditor's Report of Bedford 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.

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. Bedford 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

April 22, 2005

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**BEDFORD TOWNSHIP
COSHOCTON COUNTY**

**25081 SR 79
Warsaw, OH 43844**

**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>
Charles Helmick	Trustee	01/01/02-12/31/05 (A)		\$5,000	(B)
Dale Hedrick	Trustee	01/04/02-12/31/05 (A)		\$5,000	(B)
Allen Dobson	Trustee	01/01/04-12/31/07 (A)		\$5,000	(B)
Ruby Helmick 25081 SR 79 Warsaw, OH 43844	Clerk	04/01/04-03/31/08 (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

**BEDFORD TOWNSHIP
COSHOCTON 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

Debt Service Fund Type:

Note Retirement Fund

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

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Bedford Township
Warsaw, Ohio

We have audited the accompanying financial statements of Bedford 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 *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 Bedford Township 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 March 24, 2005, on our consideration of Bedford Township's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. It does not opine on the internal control over financial reporting or on compliance. 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
March 24, 2005

**BEDFORD 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, 2004**

	General	Special Revenue	Debt Service	(Memorandum Only) Total
CASH RECEIPTS:				
Local taxes	\$ 13,833	\$ 9,803	\$ -	\$ 23,636
Intergovernmental	18,383	73,751	-	92,134
Interest	104	94	-	198
Miscellaneous	854	10	12,675	13,539
TOTAL CASH RECEIPTS	33,174	83,658	12,675	129,507
CASH DISBURSEMENTS:				
Current:				
General government	23,643	-	-	23,643
Public work activities	10,656	78,752	-	89,408
Public health services	3,633	-	-	3,633
Capital outlay	-	-	-	-
Debt Service:				
Redemption of principal	-	-	11,000	11,000
Interest	-	-	1,675	1,675
TOTAL CASH DISBURSEMENTS	37,932	78,752	12,675	129,359
TOTAL RECEIPTS OVER(UNDER) CASH DISBURSEMENTS	(4,758)	4,906	-	148
FUND CASH BALANCES, JANUARY 1	29,900	25,586	59	55,545
FUND CASH BALANCES, DECEMBER 31	\$ 25,142	\$ 30,492	\$ 59	\$ 55,693
RESERVE FOR ENCUMBRANCES, DECEMBER 31	\$ 374	\$ 6,853	\$ -	\$ 7,227

See notes to financial statements.

**BEDFORD 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	Debt Service	(Memorandum Only) Total
CASH RECEIPTS:				
Local taxes	\$ 11,658	\$ 10,567	\$ -	\$ 22,225
Intergovernmental	16,264	54,208	-	70,472
Interest	107	106	-	213
Miscellaneous	50	15	13,275	13,340
TOTAL CASH RECEIPTS	28,079	64,896	13,275	106,250
CASH DISBURSEMENTS:				
Current:				
General government	21,978	-	-	21,978
Public work activities	799	78,052	-	78,851
Public health services	3,806	-	-	3,806
Capital outlay	-	320	-	320
Debt Service:				
Redemption of principal	-	-	11,000	11,000
Interest	-	-	2,240	2,240
TOTAL CASH DISBURSEMENTS	26,583	78,372	13,240	118,195
TOTAL RECEIPTS OVER(UNDER) CASH DISBURSEMENTS	1,496	(13,476)	35	(11,945)
FUND CASH BALANCES, JANUARY 1	28,404	39,062	24	67,490
FUND CASH BALANCES, DECEMBER 31	\$ 29,900	\$ 25,586	\$ 59	\$ 55,545
RESERVE FOR ENCUMBRANCES, DECEMBER 31	\$ 364	\$ 1,158	\$ -	\$ 1,522

See notes to financial statements.

**BEDFORD TOWNSHIP
COSHOCOTON COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Description of the Entity

Bedford 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 the Township roads.

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:

**BEDFORD 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.

Debt Service Fund

The Debt Service Fund is used to accumulate resources for the payment of note indebtedness which was incurred for a new tractor and building.

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.

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.

**BEDFORD TOWNSHIP
COSHOCTON COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

E. Budgetary Process (Continued)

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	\$ 55,693	\$ 55,545

Deposits:

Deposits are insured by the Federal Depository Insurance Corporation.

3. Budgetary Activity

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

2004 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	27,823	33,174	5,351
Special Revenue	73,022	83,658	10,636
Debt Service	12,675	12,675	-
Total	\$ 113,520	\$ 129,507	\$ 15,987

**BEDFORD TOWNSHIP
COSHOCTON COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

3. Budgetary Activity (Continued)

2004 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 57,359	\$ 38,306	\$ 19,053
Special Revenue	97,450	85,605	11,845
Debt Service	<u>12,734</u>	<u>12,675</u>	<u>59</u>
Total	<u>\$ 167,543</u>	<u>\$ 136,586</u>	<u>\$ 30,957</u>

2003 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 28,482	\$ 28,079	\$ (403)
Special Revenue	60,936	64,896	3,960
Debt Service	<u>13,275</u>	<u>13,275</u>	<u>-</u>
	<u>\$ 102,693</u>	<u>\$ 106,250</u>	<u>\$ 3,557</u>

2003 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$ 56,533	\$ 26,947	\$ 29,586
Special Revenue	99,079	79,530	19,549
Debt Service	<u>13,299</u>	<u>13,240</u>	<u>59</u>
Total	<u>\$ 168,911</u>	<u>\$ 119,717</u>	<u>\$ 49,194</u>

**BEDFORD 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. Debt

Debt outstanding at December 31, 2004 was as follows:

	Principal	Interest
Tractor Note	\$ 5,000	5.95%
Grader Note	\$ 18,000	4.50%

The tractor note will be repaid in annual installments of \$5,000, plus interest, over the next year. The grader note will be repaid in annual installments of \$6,000, plus interest, over the next 3 years.

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

Year ending December 31:	Tractor	Grader
2005	\$ 5,303	\$ 6,821
2006	-	6,548
2007	-	6,274
Total	\$ 5,303	\$ 19,643

**BEDFORD TOWNSHIP
COSHOCTON COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

6. Retirement Systems

The Township's Trustees, Clerk and part-time equipment operator 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 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
Bedford Township
Warsaw, Ohio

We have audited the financial statements of Bedford Township as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated March 24, 2005. 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 Bedford 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Bedford 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 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.

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, 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

BEDFORD 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 5, 2005**