



**WASHINGTON TOWNSHIP
GUERNSEY COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

WASHINGTON TOWNSHIP
GUERNSEY COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Washington Township
Guernsey County
20160 Titus Road
Freeport, Ohio 43973

To the Board of Trustees:

We have audited the accompanying financial statements of Washington Township, Guernsey County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999. 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 generally accepted auditing standards 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 basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Washington Township, Guernsey County, as of December 31, 2000 and 1999, 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 our report dated April 2, 2001, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This 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 management, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

April 2, 2001

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**WASHINGTON TOWNSHIP
GUERNSEY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Project</u>	
Cash Receipts:				
Local Taxes	\$11,851	\$3,804	\$	\$15,655
Intergovernmental	13,107	63,848	3,695	80,650
Earnings on Investments	242	399		641
All Other Revenue	278	52		330
	<u>25,478</u>	<u>68,103</u>	<u>3,695</u>	<u>97,276</u>
Total Cash Receipts				
	<u>25,478</u>	<u>68,103</u>	<u>3,695</u>	<u>97,276</u>
Cash Disbursements:				
Current:				
General Government	16,890			16,890
Public Safety		2,100		2,100
Public Works	918	52,491	2,700	56,109
Health	1,864			1,864
	<u>19,672</u>	<u>54,591</u>	<u>2,700</u>	<u>76,963</u>
Total Cash Disbursements				
	<u>19,672</u>	<u>54,591</u>	<u>2,700</u>	<u>76,963</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>5,806</u>	<u>13,512</u>	<u>995</u>	<u>20,313</u>
Other Financing Receipts:				
Sale of Assets		4,500		4,500
		<u>4,500</u>		<u>4,500</u>
Total Other Financing Receipts	<u>0</u>	<u>4,500</u>	<u>0</u>	<u>4,500</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	<u>5,806</u>	<u>18,012</u>	<u>995</u>	<u>24,813</u>
Fund Cash Balances, January 1	<u>13,772</u>	<u>26,507</u>	<u>0</u>	<u>40,279</u>
Fund Cash Balances, December 31	<u><u>\$19,578</u></u>	<u><u>\$44,519</u></u>	<u><u>\$995</u></u>	<u><u>\$65,092</u></u>

The notes to the financial statements are an integral part of this statement.

WASHINGTON TOWNSHIP
GUERNSEY COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
NON-EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Non-Expendable Trust</u>
Operating Cash Receipts:	
Interest	<u>\$218</u>
Total Operating Cash Receipts	<u>218</u>
Operating Income/(Loss)	218
Fund Cash Balances, January 1	<u>5,232</u>
Fund Cash Balances, December 31	<u><u>\$5,450</u></u>

The notes to the financial statements are an integral part of this statement.

**WASHINGTON TOWNSHIP
GUERNSEY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Local Taxes	\$12,649	\$4,075	\$16,724
Intergovernmental	8,829	64,869	73,698
Earnings on Investments	263	600	863
 Total Cash Receipts	 21,741	 69,544	 91,285
Cash Disbursements:			
Current:			
General Government	18,710		18,710
Public Safety		2,200	2,200
Public Works	2,394	64,939	67,333
Health	1,091	310	1,401
Capital Outlay		3,522	3,522
 Total Cash Disbursements	 22,195	 70,971	 93,166
 Total Cash Receipts Over/(Under) Cash Disbursements	 (454)	 (1,427)	 (1,881)
Other Financing Receipts:			
Other Financing Sources	1,753		1,753
 Total Other Financing Receipts	 1,753	 0	 1,753
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	 1,299	 (1,427)	 (128)
 Fund Cash Balances, January 1	 12,473	 27,934	 40,407
 Fund Cash Balances, December 31	 \$13,772	 \$26,507	 \$40,279

The notes to the financial statements are an integral part of this statement.

WASHINGTON TOWNSHIP
GUERNSEY COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
NON-EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Non-Expendable Trust</u>
Fund Cash Balances, January 1	<u>\$5,232</u>
Fund Cash Balances, December 31	<u><u>\$5,232</u></u>

The notes to the financial statements are an integral part of this statement.

**WASHINGTON TOWNSHIP
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 and 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Washington Township, Guernsey County (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 road and bridge maintenance, cemetery maintenance, and fire protection. The Township contracts with the Antrim and the Freeport Volunteer Fire Departments to provide fire services.

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 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.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Certificates of deposit are valued at cost.

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Gasoline Tax Fund - This fund receives gasoline tax money for constructing, maintaining and repairing Township roads and bridges.

Motor Vehicle License Tax Fund - This fund receives motor vehicle license tax money for constructing, maintaining and repairing Township roads and bridges.

**WASHINGTON TOWNSHIP
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 and 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant Capital Projects Fund:

Ohio Public Works Commission Projects Fund - This fund receives Issue II grant revenue through the Guernsey County Engineer to pay for construction, maintenance and repair of Township roads and bridges.

4. Fiduciary Funds (Trust Funds)

These funds are used to account for resources restricted by legally binding trust agreements. The Township had the following significant Fiduciary Funds:

Pleasant Hill Cemetery Bequest Fund - This fund maintains the trust corpus and receives interest income from a certificate of deposit. The income is to be used for maintaining the Pleasant Hill Cemetery.

Chestnut Hill Cemetery Bequest Fund - This fund maintains the trust corpus and receives interest income from a certificate of deposit. The income is to be used for maintaining the Chestnut Hill Cemetery.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. 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. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled and, reappropriated in the subsequent year.

**WASHINGTON TOWNSHIP
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 and 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

A summary of 2000 and 1999 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 on the accompanying financial statements.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Township maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$ 65,310	\$ 40,279
Certificates of deposit	5,232	5,232
Total deposits	\$ 70,542	\$ 45,511

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 1999, is as follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$17,459	\$25,478	\$8,019
Special Revenue	64,562	72,603	8,041
Capital Projects	3,695	3,695	0
Non-Expendable Trust	243	218	(25)
Total	\$85,959	\$101,994	\$16,035

**WASHINGTON TOWNSHIP
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 and 1999
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$31,230	\$19,672	\$11,558
Special Revenue	91,069	54,591	36,478
Capital Projects	3,695	2,700	995
Non-Expendable Trust	243	0	243
Total	<u>\$126,237</u>	<u>\$76,963</u>	<u>\$49,274</u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$17,329	\$23,494	\$6,165
Special Revenue	62,655	69,544	6,889
Non-Expendable Trust	0	0	0
Total	<u>\$79,984</u>	<u>\$93,038</u>	<u>\$13,054</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$29,802	\$22,195	\$7,607
Special Revenue	90,488	70,971	19,517
Non-Expendable Trust	5,232	0	5,232
Total	<u>\$125,522</u>	<u>\$93,166</u>	<u>\$32,356</u>

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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 payment, the first half is due December 31. The second half payment is due the following June 20.

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.

**WASHINGTON TOWNSHIP
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 and 1999
(Continued)**

5. RETIREMENT SYSTEMS

The Township's elected officials belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provide retirement benefits, including post-retirement healthcare, 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 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. For the period July 1, 2000 through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The Township is insured with the Ohio Government Risk Management Plan (OGRMP). OGRMP assumes the risk of loss up to the limits of the township's policies. Coverage is subject to deductibles and scheduled property. The following risks are covered by OGRMP:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The Township also provides life, cancer, and disability insurance to elected officials through a private carrier.

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REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Washington Township
Guernsey County
20160 Titus Road
Freeport, Ohio 43973

To the Board of Trustees:

We have audited the accompanying financial statements of Washington Township, Guernsey County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated April 2, 2001. We conducted our audit in accordance with generally accepted auditing standards 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 the Township's 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 management of the Township in a separate letter dated April 2, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the 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 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. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the Township in a separate letter dated April 2, 2001.

Washington Township
Guernsey County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

April 2, 2001



STATE OF OHIO
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JIM PETRO, AUDITOR OF STATE

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WASHINGTON TOWNSHIP

GUERNSEY 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 1, 2001**