



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



WASHINGTON TOWNSHIP  
MONROE COUNTY

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Report of Independent Accountants .....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2001 .....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2000 .....	4
Notes to the Financial Statements .....	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	9
Schedule of Prior Audit Findings.....	11

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**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**  

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Washington Township  
Monroe County  
36582 Cline Lane  
Graysville, Ohio 45734

To the Board of Trustees:

We have audited the accompanying financial statements of Washington Township, Monroe County, Ohio (the Township), as of and for the years ended December 31, 2001 and 2000. 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 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, Monroe County, as of December 31, 2001 and 2000, 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 May 7, 2002, 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. 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 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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

**Jim Petro**  
Auditor of State

May 7, 2002

**WASHINGTON TOWNSHIP  
MONROE 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>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$4,823	\$4,544	\$	\$9,367
Intergovernmental	7,631	53,808	5,700	67,139
Earnings on Investments	126	90		216
Other Revenue	528	12	60	600
	<u>13,108</u>	<u>58,454</u>	<u>5,760</u>	<u>77,322</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	22,165			22,165
Public Safety	800			800
Public Works		68,776		68,776
Debt Service:				
Redemption of Principal			5,847	5,847
Interest and Fiscal Charges			882	882
	<u>22,965</u>	<u>68,776</u>	<u>6,729</u>	<u>98,470</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(9,857)</u>	<u>(10,322)</u>	<u>(969)</u>	<u>(21,148)</u>
Fund Cash Balances, January 1	<u>9,857</u>	<u>13,765</u>	<u>3,355</u>	<u>26,977</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$0</b></u>	<u><b>\$3,443</b></u>	<u><b>\$2,386</b></u>	<u><b>\$5,829</b></u>

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

**WASHINGTON TOWNSHIP  
MONROE 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>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$4,662	\$4,371	\$	\$9,033
Intergovernmental	21,253	75,075	9,200	105,528
Earnings on Investments	208	433		641
Other Revenue	427	149	82	658
	<u>26,550</u>	<u>80,028</u>	<u>9,282</u>	<u>115,860</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	17,819			17,819
Public Safety	58			58
Public Works		65,887		65,887
Debt Service:				
Redemption of Principal		9,781	10,113	19,894
Interest and Fiscal Charges		105	1,904	2,009
	<u>17,877</u>	<u>75,773</u>	<u>12,017</u>	<u>105,667</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>8,673</u>	<u>4,255</u>	<u>(2,735)</u>	<u>10,193</u>
Fund Cash Balances, January 1	<u>1,184</u>	<u>9,510</u>	<u>6,090</u>	<u>16,784</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$9,857</u></b>	<b><u>\$13,765</u></b>	<b><u>\$3,355</u></b>	<b><u>\$26,977</u></b>

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



**WASHINGTON TOWNSHIP  
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Washington Township, Monroe 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 government services, including road and bridge maintenance and fire protection. The Township contracts with the Graysville Volunteer Fire Department 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. Budgetary presentations report budgetary 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. 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:

**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:

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

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

**3. Debt Service Fund**

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township has the following significant Debt Service Fund:

**WASHINGTON TOWNSHIP  
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Fund Accounting (Continued)**

**3. Debt Service Fund (Continued)**

*Note Retirement Fund* - This fund receives gasoline tax money to pay for principal and interest payments related to Township debt.

**D. 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.

A summary of 2001 and 2000 budgetary activity appears in Note 3.

**E. 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**

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

	2001	2000
Demand deposits	<u>\$5,829</u>	<u>\$26,977</u>

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

**WASHINGTON TOWNSHIP  
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2001 and 2000, follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$16,856	\$13,108	(\$3,748)
Special Revenue	69,540	58,454	(11,086)
Debt Service	5,400	5,760	360
Total	\$91,796	\$77,322	(\$14,474)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$26,774	\$22,965	\$3,809
Special Revenue	83,305	68,776	14,529
Debt Service	8,755	6,729	2,026
Total	\$118,834	\$98,470	\$20,364

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$21,424	\$26,550	\$5,126
Special Revenue	77,170	80,028	2,858
Debt Service	10,000	9,282	(718)
Total	\$108,594	\$115,860	\$7,266

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$21,809	\$17,877	\$3,932
Special Revenue	86,682	75,773	10,909
Debt Service	16,090	12,017	4,073
Total	\$124,581	\$105,667	\$18,914

**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 payment, the first half is due December 31. The second half payment is due the following June 20.

**WASHINGTON TOWNSHIP  
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**4. PROPERTY TAX (Continued)**

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each May 7.

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, 2001, was as follows:

	Principal	Interest Rate
General Obligation Notes	\$12,569	4.76%
Total	\$12,569	

The general obligation notes were issued to finance the purchase of a tractor to be used for Township road maintenance. The notes are collateralized solely by gasoline tax revenues received by the Township.

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

	General Obligation Notes
Year ending December 31:	
2002	\$6,729
2003	6,729
Total	\$13,458

**6. RETIREMENT SYSTEMS**

The Township's employees, as well the Trustees and Clerk, belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement 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 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for January 1 through June 30, 2000, and for 2001. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Township has paid all contributions required through December 31, 2001.

**7. RISK MANAGEMENT**

**Commercial Insurance**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability; and
- Vehicles.



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

Washington Township  
Monroe County  
36582 Cline Lane  
Graysville, Ohio 45734

To the Board of Trustees:

We have audited the financial statements of Washington Township, Monroe County, Ohio (the Township), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 7, 2002. 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 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 May 7, 2002.

**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 management of the Township in a separate letter dated May 7, 2002.

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

This report is intended solely 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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

**Jim Petro**  
Auditor of State

May 7, 2002

**WASHINGTON TOWNSHIP  
MONROE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2001 AND 2000**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
1999-41056-001	The General Fund and Motor Vehicle License Tax Fund had appropriations in excess of total estimated revenue contrary to Ohio Revised Code Section 5705.39	Yes	N/A.
1999-41056-002	The General Fund and Gasoline Tax Fund had expenditures in excess of appropriations contrary to Ohio Revised Code Section 5705.41(B)	Yes	N/A.







STATE OF OHIO  
OFFICE OF THE AUDITOR

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**WASHINGTON TOWNSHIP**

**MONROE 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  
JULY 2, 2002**