

**WASHINGTON TOWNSHIP**  
**HARDIN COUNTY, OHIO**  
**AUDITED FINANCIAL STATEMENTS**  
**JANUARY 1, 2002 – DECEMBER 31, 2003**





**Auditor of State  
Betty Montgomery**

Board of Trustees  
Washington Township, Hardin County  
11369 St. Rt. 81  
Dola, OH 45835-9706

We have reviewed the Independent Auditor's Report of Washington Township, Hardin County, prepared by Vanessa L. Blevins, CPA, for the audit period January 1, 2002 through December 31, 2003. 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. Washington Township, Hardin County is responsible for compliance with these laws and regulations.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

August 30, 2004

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**WASHINGTON TOWNSHIP  
HARDIN COUNTY, OHIO**

JANUARY 1, 2002 TO DECEMBER 31, 2003

Table of Contents

Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – All Governmental Fund Types For the Year Ended December 31, 2003	2
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – All Governmental Fund Types For the Year Ended December 31, 2002	3
Notes to the Financial Statements	4
Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	9

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Washington Township  
11369 State Route 81  
Dola, Ohio 45835-9706

To the Board of Township Trustees:

We have audited the accompanying financial statements of Washington Township, Hardin County, Ohio, (the Township) as of and for the years ended December 31, 2003 and 2002. 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 and originating 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 audits 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 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, Hardin County, Ohio, as of December 31, 2003 and 2002, 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 July 19, 2004, 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 is considering the results of our audit.

This report is intended solely for the information and use of the audit committee, management, the Board and other 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.

Vanessa L. Blevins, CPA

July 19, 2004

**WASHINGTON TOWNSHIP  
HARDIN COUNTY, OHIO**

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	Total (Memorandum Only)
<b>Cash receipts:</b>				
Taxes	\$ 38,823	\$ 9,849	\$ -	\$ 48,672
Charges for services			-	-
Intergovernmental	26,627	66,566	-	93,193
Fines, licenses, and permits			-	-
Interest Revenue	76	115	-	191
Miscellaneous	911	7,090	-	8,001
Total cash receipts	<u>66,437</u>	<u>83,620</u>	<u>-</u>	<u>150,057</u>
<b>Cash disbursements:</b>				
Current:				
Public safety	10,387	-	-	10,387
Public health services	-	5,179	-	5,179
Public works	1,250	78,482	-	79,732
Conservation- Recreation	-	1,130	-	1,130
General government	40,201	-	-	40,201
Capital outlay	17,630	-	-	17,630
Total cash disbursements	<u>69,468</u>	<u>84,791</u>	<u>-</u>	<u>154,259</u>
Total receipts over/(under) disbursements	<u>(3,031)</u>	<u>(1,171)</u>	<u>-</u>	<u>(4,202)</u>
<b>Other financing sources (uses)</b>				
Operating transfers out	-	-	-	-
Other financing uses	13	-	-	13
Contingencies	-	-	-	-
Total other financing sources (uses)	<u>13</u>	<u>-</u>	<u>-</u>	<u>13</u>
Total of Receipts and Other Sources Over (Under) Disbursements and Other Uses	<u>(3,018)</u>	<u>(1,171)</u>	<u>-</u>	<u>(4,189)</u>
Fund cash balances, January 1, 2003	<u>102,845</u>	<u>110,115</u>		<u>212,960</u>
Fund cash balances, December 31, 2003	<u>\$ 99,827</u>	<u>\$ 108,944</u>	<u>\$ -</u>	<u>\$ 208,771</u>
Reserve For Encumbrances, December 31, 2003				

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

**WASHINGTON TOWNSHIP  
HARDIN COUNTY, OHIO**

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	Debt Service	Total (Memorandum Only)
<b>Cash receipts:</b>				
Taxes	\$ 30,654	\$ 9,925	\$ -	\$ 40,579
Charges for services			-	-
Intergovernmental	32,099	63,503	-	95,602
Fines, licenses, and permits			-	-
Interest Revenue	225	339	-	564
Miscellaneous	435	4,028	-	4,463
Total cash receipts	<u>63,413</u>	<u>77,795</u>	-	<u>141,208</u>
<b>Cash disbursements:</b>				
Current:				
Public safety	23,123	-	-	23,123
Public health services	-	3,030	-	3,030
Public Works	1,420	89,900	-	91,320
Conservation- Recreation	464	1,144	-	1,608
General government	36,565		-	36,565
Capital outlay	18,787	18,790	-	37,577
Total cash disbursements	<u>80,359</u>	<u>112,864</u>	-	<u>193,223</u>
Total receipts over disbursements	(16,946)	(35,070)	-	(52,016)
<b>Other financing sources (uses)</b>				
Operating transfers out	-	-	-	-
Other financing sources	160	6,018	-	6,178
Contingencies	-	-	-	-
Total other financing sources (uses)	<u>160</u>	<u>6,018</u>	-	<u>6,178</u>
Total of Receipts and Other Sources Over (Under) Disbursements and Other Uses	(16,786)	(29,052)	-	(45,837)
Fund cash balances, January 1, 2002	<u>119,631</u>	<u>139,166</u>		<u>258,797</u>
Fund cash balances, December 31, 2002	<u>\$ 102,845</u>	<u>\$ 110,115</u>	<u>\$ -</u>	<u>\$ 212,960</u>
Reserve For Encumbrances, Dec.31, 2002	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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



**WASHINGTON TOWNSHIP  
HARDIN COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Jackson Township, Hardin 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. The Township provides general governmental 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. 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:

**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 (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 streets.

*Motor Vehicle License Tax* - This fund receives tax money for maintaining and repairing Township roads.

**Capital Projects Fund** - Capital Projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities..

**WASHINGTON TOWNSHIP  
HARDIN COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS  
(Continued)

*Cemetery Fund* - this fund receives money from sale of lots and burials which is used for the upkeep of the cemetery.

**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. Other trust funds are classified as expendable. Funds for which the Township is acting in an agency capacity are classified as agency funds. The Township had the following significant fiduciary funds:

*Cemetery Bequest Funds* - these funds account for resources restricted by legally binding agreements.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund 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 must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**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.

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

A summary of 2003 and 2002 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.

**WASHINGTON TOWNSHIP  
HARDIN COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS  
(Continued)

**2. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2003 and 2002 was as follows:

2003 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 66,228	\$ 66,450	\$ 222
Special Revenue	71,545	83,620	12,075
Total	<u>\$ 137,773</u>	<u>\$ 150,070</u>	<u>\$ 12,297</u>

2003 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 168,030	\$ 69,468	\$ 98,562
Special Revenue	181,200	84,791	96,409
Total	<u>\$ 349,230</u>	<u>\$ 154,259</u>	<u>\$ 194,971</u>

2002 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 68,418	\$ 63,573	\$ (4,845)
Special Revenue	62,750	83,813	21,063
Total	<u>\$ 131,168</u>	<u>\$ 147,386</u>	<u>\$ 16,218</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 175,030	\$ 80,359	\$ 94,671
Special Revenue	202,500	112,864	89,636
Total	<u>\$ 377,530</u>	<u>\$ 193,223</u>	<u>\$ 184,307</u>

**WASHINGTON TOWNSHIP  
HARDIN COUNTY, OHIO**

NOTES TO FINANCIAL STATEMENTS  
(Continued)

**3. 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>2003</u>	<u>2002</u>
Demand deposits	\$ 208,771	\$ 212,960
Certificates of deposit	-	-
Total deposits	<u>\$ 208,771</u>	<u>\$ 212,960</u>

**Deposits**

Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by the financial institution's public entity deposit pool.

**4. PROPERTY TAXES**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board. 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. RETIREMENT SYSTEMS**

The Township's full-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 healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

The Township provides health coverages for an official through a private carrier.

**WASHINGTON TOWNSHIP  
HARDIN COUNTY, OHIO**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

Contribution rates are also prescribed by the Ohio Revised Code. For 2003 and 2002, PERS members contributed 8.5 percent of their gross salaries. The Township contributed an amount equal to 13.55 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2003.

**6. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

- General liability
- Public Officials Liability
- Automobile Liability, Comprehensive and Collision
- Property Coverage

**Vanessa L Blevins, CPA**

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

Washington Township  
11369 State Route 81  
Dola, Ohio 45835-9706

To the Board of Township Trustees:

We have audited the financial statements of Washington Township, Hardin County, Ohio (the Township) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated July 19, 2004. We conducted our audits in accordance with generally accepted auditing standards originating 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 audits 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 an immaterial instance of noncompliance which we have reported to management of the Township in a separate letter dated July 19, 2004.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audits, 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 July 19, 2004.

This report is intended solely for the information and use of the audit committee, management, the Board of Trustees and other officials authorized to receive this report and are not intended and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

Vanessa L. Blevins, CPA

July 19, 2004



**Auditor of State  
Betty Montgomery**

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800-282-0370

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**WASHINGTON TOWNSHIP**

**HARDIN 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  
SEPTEMBER 14, 2004**