



Mary Taylor, CPA
Auditor of State

**WASHINGTON TOWNSHIP
SCIOTO COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Statement of Net Assets – Cash Basis – December 31, 2007.....	11
Statement of Activities – Cash Basis – For the Year Ended December 31, 2007.....	12
Statement of Cash Basis Assets and Fund Balances - Governmental Funds – December 31, 2007.....	13
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Governmental Funds – For the Year Ended December 31, 2007.....	14
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual Budget Basis - General Fund – For the Year Ended December 31, 2007.....	15
Statement of Receipts, Disbursements and Changes in Fund Balance -Budget and Actual – Budget Basis – Gasoline Tax Fund - For the Year Ended December 31, 2007.....	16
Statement of Receipts, Disbursements and Changes in Fund Balance -Budget and Actual – Budget Basis – Road and Bridge Fund - For the Year Ended December 31, 2007.....	17
Statement of Receipts, Disbursements and Changes in Fund Balance -Budget and Actual – Budget Basis – Fire Fund - For the Year Ended December 31, 2007.....	18
Statement of Receipts, Disbursements and Changes in Fund Balance -Budget and Actual – Budget Basis – Ambulance Fund - For the Year Ended December 31, 2007.....	19
Statement of Receipts, Disbursements and Changes in Fund Balance -Budget and Actual – Budget Basis – Road and Bridge Levy Fund - For the Year Ended December 31, 2007.....	20
Statement of Receipts, Disbursements and Changes in Fund Balance -Budget and Actual – Budget Basis – Sheriff Fund - For the Year Ended December 31, 2007.....	21
Statement of Net Assets - Cash Basis - December 31, 2006.....	22
Statement of Activities - Cash Basis - For the Year Ended December 31, 2006.....	23
Statement of Cash Basis Assets and Fund Balances - Governmental Funds - December 31, 2006.....	24
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Governmental Funds – For the Year Ended December 31, 2006.....	25
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual Budget Basis - General Fund – For the Year Ended December 31, 2006.....	26
Statement of Receipts, Disbursements and Changes in Fund Balance -Budget and Actual – Budget Basis – Gasoline Tax Fund - For the Year Ended December 31, 2006.....	27

WASHINGTON TOWNSHIP
SCIOTO COUNTY

TABLE OF CONTENTS
(Continued)

TITLE	PAGE
Statement of Receipts, Disbursements and Changes in Fund Balance -Budget and Actual – Budget Basis – Road and Bridge Fund - For the Year Ended December 31, 2006.....	28
Statement of Receipts, Disbursements and Changes in Fund Balance -Budget and Actual – Budget Basis – Fire Fund - For the Year Ended December 31, 2006.....	29
Statement of Receipts, Disbursements and Changes in Fund Balance -Budget and Actual – Budget Basis – Ambulance Fund - For the Year Ended December 31, 2006.....	30
Statement of Receipts, Disbursements and Changes in Fund Balance -Budget and Actual – Budget Basis – Road and Bridge Levy Fund - For the Year Ended December 31, 2067.....	31
Statement of Receipts, Disbursements and Changes in Fund Balance -Budget and Actual – Budget Basis – Sheriff Fund - For the Year Ended December 31, 2006.....	32
Notes to the Basic Financial Statements	33
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	45
Schedule Findings.....	47
Schedule of Prior Audit Findings.....	51



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Washington Township
Scioto County
2220 Pershing Avenue
West Portsmouth, Ohio 45663

To the Board of Township Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Washington Township, Scioto County, Ohio (the Township), as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Washington Township, Scioto County, Ohio, as of December 31, 2007 and 2006, and the respective changes in financial position, thereof and the respective budgetary comparisons for the General, Gasoline Tax, Road and Bridge, Fire, Ambulance, Road and Bridge Levy, and Sheriff Funds for the years then ended in conformity with the basis of accounting Note 2 describes.

For the years ended December 31, 2007 and 2006, the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2008, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

August 19, 2008

Washington Township, Scioto County
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

This discussion and analysis of Washington Township's (the Township) financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2007 and 2006, within the limitations of the Township's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2007 are as follows:

Net assets of governmental activities increased \$57,336 or 8 percent, a significant change from the prior year. The reason for the increase is due to a decrease in Public Works expenditures.

The Township's general receipts are primarily property taxes, local government revenue assistance, franchise fees and interest.

Key highlights for 2006 are as follows:

Net assets of governmental activities decreased \$17,921 or 3 percent. The main reason for the decrease was an overall increase in expenditures during 2006.

The Township's general receipts are primarily property taxes, local government revenue assistance, franchise fees and interest. Property taxes changed very little when compared to prior years.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Washington Township, Scioto County
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2007 and 2006, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors as well such as the Township's property tax base, the condition of the Township's capital assets and infrastructure, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

In the statement of net assets and the statement of activities, the Township reports only one type of activity:

Governmental activities. Most of the Township's basic services are reported here, including police, fire, streets and emergency management services. Property taxes, gasoline taxes, vehicle registrations, local government revenue assistance, licenses & permits and state & federal grants finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Washington Township, Scioto County
 Management's Discussion and Analysis
 For the Years Ended December 31, 2007 and 2006
 Unaudited

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are all governmental funds.

Governmental Funds - Most of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire Fund, Ambulance Fund, Road and Bridge Levy Fund, and Sheriff Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2007 compared to 2006 compared to 2005.

(Table 1)
Net Assets

	Governmental Activities		
	2007	2006	2005
Assets			
Cash and Cash Equivalents	\$723,859	\$666,523	\$684,444
Total Assets	\$723,859	\$666,523	\$684,444
Net Assets			
Restricted for:			
Public Safety			\$62,412
Road Maintenance			354,497
Other Purposes	\$648,971	\$598,738	199,439
Unrestricted	74,888	67,785	68,096
Total Net Assets	\$723,859	\$666,523	\$684,444

As mentioned previously, net assets of governmental activities increased \$57,336 or 8 percent during 2007. The primary reason contributing to the increase in cash balances is as follows:

- The Township had a decrease in Public Works expenditures in 2007.

Washington Township, Scioto County
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

Table 2 reflects the changes in net assets in 2007 and 2006 and the comparisons to fiscal year 2005.

(Table 2)
Changes in Net Assets

	Governmental Activities 2007	Governmental Activities 2006	Governmental Activities 2005
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$58,842	\$67,989	\$49,093
Operating Grants and Contributions	107,471	109,617	224,975
Capital Grants and Contributions	88,255	118,925	
Total Program Receipts	<u>254,568</u>	<u>296,531</u>	<u>274,068</u>
General Receipts:			
Property Taxes	598,224	546,899	55,397
Other Purposes			512,625
Grants and Entitlements Not Restricted to Specific Programs	119,575	110,264	27,397
Notes Issued		21,577	
Insurance Reimbursement	24,618		
Cable Franchise Fees	50,546	51,284	
Interest	9,632	10,214	9,231
Miscellaneous	11,816	6,346	3,800
Total General Receipts	<u>814,411</u>	<u>746,584</u>	<u>608,450</u>
Total Receipts	<u>1,068,979</u>	<u>1,043,115</u>	<u>882,518</u>
Disbursements:			
General Government	104,884	101,160	159,959
Public Safety	372,943	336,235	308,116
Public Works	311,862	269,684	249,062
Health	30,352	27,314	27,817
Capital Outlay	137,660	294,470	8,593
Principal Payments	51,077	28,152	32,015
Interest and Fiscal Charges	2,865	4,021	
Total Disbursements	<u>1,011,643</u>	<u>1,061,036</u>	<u>785,562</u>
Increase (Decrease) in Net Assets	57,336	(17,921)	96,956
Net Assets, January 1	<u>666,523</u>	<u>684,444</u>	<u>587,488</u>
Net Assets, December 31	<u>\$723,859</u>	<u>\$666,523</u>	<u>\$684,444</u>

In 2007, governmental activities program receipts represent 24% of total governmental receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

In 2006, governmental activities program receipts represent 28% of total governmental receipts and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

Washington Township, Scioto County
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

In 2007, governmental activities general receipts represent 76% of the Township's total governmental receipts, and of this amount, 73% are property and local taxes. Other receipts such as cable franchise fees and interest are somewhat unpredictable revenue sources.

In 2006, governmental activities general receipts represent 72% of the Township's total governmental receipts, and of this amount, 73% are property and local taxes. Other receipts such as cable franchise fees and interest are somewhat unpredictable revenue sources.

In 2007 and 2006, disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. These include all or a portion of the costs of Board, Fiscal Officer, audit expense, and maintenance.

Public Safety are the costs of sheriff and fire protection and ambulance services. Public Works is the cost of maintaining the roads.

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. In 2007, the major program disbursements for governmental activities are for Public Safety, Public Works and Capital Outlay, which account for 37, 31 and 14 percent of all governmental disbursements, respectively. In 2006, the major program disbursements for governmental activities are for Public Safety, Public Works and Capital Outlay which account for 32, 25 and 28 percent of all governmental disbursements respectively. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)
Governmental Activities

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2007	2007	2006	2006	2005	2005
General Government	\$104,884	\$104,884	\$101,160	\$101,160	\$159,959	\$65,056
Public Safety	372,943	314,101	336,235	258,912	308,116	208,246
Public Works	311,862	204,391	269,684	169,401	249,062	177,734
Health	30,352	30,352	27,314	27,314	27,817	19,850
Capital Outlay	137,660	49,405	294,470	175,545	8,593	8,593
Principal Payments	51,077	51,077	28,152	28,152	32,015	32,015
Interest and Fiscal Charges	2,865	2,865	4,021	4,021		
Total Expenses	\$1,011,643	\$757,075	\$1,061,036	\$764,505	\$785,562	\$511,494

Washington Township, Scioto County
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

The Township's Funds

In 2007, total governmental funds had receipts of \$1,068,979 and disbursements of \$1,011,643. The Road and Bridge Levy Fund increased \$93,488 in 2007 due to there being no paving projects in 2007.

In 2006, total governmental funds had receipts of \$1,043,115 and disbursements of \$1,061,036. The Ambulance Fund increased \$38,255 which was mainly due to an increase in ambulance billing run collections.

General Fund receipts and expenditures are closely monitored as the receipts are limited and somewhat unpredictable such as inheritance tax and interest.

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

During 2007, the Township amended the General Fund expense appropriations. Final actual receipts were equal to original budgeted receipts.

Final disbursements were budgeted at \$161,300 while actual disbursements were \$161,300. The Township kept spending very close to budgeted amounts as demonstrated by the lack of variances. The result is an increase in fund balance of \$7,103 for 2007.

During 2006, the Township amended the General Fund expense appropriations. Final budgeted receipts were equal to original budgeted receipts.

Final disbursements were budgeted at \$149,910 while actual disbursements were \$149,910. The Township kept spending very close to budgeted amounts as demonstrated by the lack of variances.

Capital Assets and Debt Administration

Capital Assets

The Township does not currently keep track of its capital assets and infrastructure other than taking an inventory of what is on hand in January of each year. The current liability and property insurance policy keeps an accurate record of Township property, equipment and vehicles.

Debt

At December 31, 2007, the Township's outstanding debt included \$30,991 in general obligation notes issued for the school building demolition and purchase of a dump truck. For further information regarding the Township's debt, refer to the basic financial statements, Note 10.

Washington Township, Scioto County
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

Current Issues

The Township is strong financially. As the preceding information shows, the Township heavily depends on its taxpayers. However, financially, the future is not without challenges.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to: Cheri Seevers, Township Fiscal Officer, 2220 Pershing Avenue, West Portsmouth, Ohio 45663.

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Washington Township, Scioto County

Statement of Net Assets - Cash Basis

December 31, 2007

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$723,859</u>
<i>Total Assets</i>	<u><u>\$723,859</u></u>
Net Assets	
Restricted for:	
Other Purposes	\$648,971
Unrestricted	<u>74,888</u>
<i>Total Net Assets</i>	<u><u>\$723,859</u></u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2007

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General Government	\$104,884				(\$104,884)
Public Safety	372,943	\$58,842			(314,101)
Public Works	311,862		\$107,471		(204,391)
Health	30,352				(30,352)
Capital Outlay	137,660			\$88,255	(49,405)
Principal Payments	51,077				(51,077)
Interest and Fiscal Charges	2,865				(2,865)
<i>Total Governmental Activities</i>	<u>\$1,011,643</u>	<u>\$58,842</u>	<u>\$107,471</u>	<u>\$88,255</u>	<u>(757,075)</u>
		General Receipts			
		Property Taxes Levied for:			
		General Purposes			598,224
		Grants and Entitlements not Restricted to Specific Programs			119,575
		Insurance Reimbursement			24,618
		Cable Franchise Fees			50,546
		Interest			9,632
		Miscellaneous			11,816
		<i>Total General Receipts</i>			<u>814,411</u>
		Change in Net Assets			57,336
		<i>Net Assets Beginning of Year</i>			<u>666,523</u>
		<i>Net Assets End of Year</i>			<u>\$723,859</u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2007

	<u>General</u>	<u>Gasoline Tax Fund</u>	<u>Road and Bridge Fund</u>	<u>Fire Fund</u>	<u>Ambulance Fund</u>	<u>Road and Bridge Levy Fund</u>	<u>Sheriff Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets									
Equity in Pooled Cash and Cash Equivalents	\$74,888	\$58,410	\$37,417	\$24,158	\$56,793	\$345,927	\$63,472	\$62,794	\$723,859
<i>Total Assets</i>	<u>\$74,888</u>	<u>\$58,410</u>	<u>\$37,417</u>	<u>\$24,158</u>	<u>\$56,793</u>	<u>\$345,927</u>	<u>\$63,472</u>	<u>\$62,794</u>	<u>\$723,859</u>
Fund Balances									
Unreserved:									
Undesignated (Deficit), Reported in:									
General Fund	\$74,888								\$74,888
Special Revenue Funds		\$58,410	\$37,417	\$24,158	\$56,793	\$345,927	\$63,472	\$62,794	648,971
<i>Total Fund Balances</i>	<u>\$74,888</u>	<u>\$58,410</u>	<u>\$37,417</u>	<u>\$24,158</u>	<u>\$56,793</u>	<u>\$345,927</u>	<u>\$63,472</u>	<u>\$62,794</u>	<u>\$723,859</u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2007

	General	Gasoline Tax Fund	Road and Bridge Fund	Fire Fund	Ambulance Fund	Road and Bridge Levy Fund	Sheriff Fund	Other Governmental Funds	Total Governmental Funds
Receipts									
Property and Other Local Taxes	\$54,219		\$145,957	\$100,649	\$83,874	\$81,614	\$107,981	\$23,930	\$598,224
Charges for Services					58,842				58,842
Licenses, Permits and Fees	50,546								50,546
Intergovernmental	27,361	93,638	24,213	17,853	14,878	12,833	18,478	106,047	315,301
Interest	8,542	831						259	9,632
Miscellaneous	3,117		1,647	4,882	592	1,098	206	274	11,816
<i>Total Receipts</i>	<u>143,785</u>	<u>94,469</u>	<u>171,817</u>	<u>123,384</u>	<u>158,186</u>	<u>95,545</u>	<u>126,665</u>	<u>130,510</u>	<u>1,044,361</u>
Disbursements									
Current:									
General Government	104,884								104,884
Public Safety				100,333	140,226		120,044	12,340	372,943
Public Works	1,590	83,582	209,694			2,057		14,939	311,862
Health	30,352								30,352
Capital Outlay	13,472	7,500	5,000	18,933				92,755	137,660
Debt Service:									
Principal Retirement	9,434	20,066		21,577					51,077
Interest and Fiscal Charges	1,568	947		350					2,865
<i>Total Disbursements</i>	<u>161,300</u>	<u>112,095</u>	<u>214,694</u>	<u>141,193</u>	<u>140,226</u>	<u>2,057</u>	<u>120,044</u>	<u>120,034</u>	<u>1,011,643</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(17,515)</u>	<u>(17,626)</u>	<u>(42,877)</u>	<u>(17,809)</u>	<u>17,960</u>	<u>93,488</u>	<u>6,621</u>	<u>10,476</u>	<u>32,718</u>
Other Financing Sources (Uses)									
Insurance Reimbursement	24,618								24,618
<i>Total Other Financing Sources (Uses)</i>	<u>24,618</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>24,618</u>
<i>Net Change in Fund Balances</i>	<u>7,103</u>	<u>(17,626)</u>	<u>(42,877)</u>	<u>(17,809)</u>	<u>17,960</u>	<u>93,488</u>	<u>6,621</u>	<u>10,476</u>	<u>57,336</u>
<i>Fund Balances Beginning of Year</i>	<u>67,785</u>	<u>76,036</u>	<u>80,294</u>	<u>41,967</u>	<u>38,833</u>	<u>252,439</u>	<u>56,851</u>	<u>52,318</u>	<u>666,523</u>
<i>Fund Balances End of Year</i>	<u>\$74,888</u>	<u>\$58,410</u>	<u>\$37,417</u>	<u>\$24,158</u>	<u>\$56,793</u>	<u>\$345,927</u>	<u>\$63,472</u>	<u>\$62,794</u>	<u>\$723,859</u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$54,762	\$54,219	\$54,219	\$0
Licenses, Permits and Fees		50,546	50,546	0
Intergovernmental	28,400	27,361	27,361	0
Interest	5,000	8,542	8,542	0
Miscellaneous	45,083	3,117	3,117	0
<i>Total Receipts</i>	133,245	143,785	143,785	0
Disbursements				
Current:				
General Government	146,030	104,884	104,884	0
Public Works	6,000	1,590	1,590	0
Health	28,000	30,352	30,352	0
Capital Outlay	21,000	13,472	13,472	0
Debt Service:				
Principal Retirement		9,434	9,434	0
Interest and Fiscal Charges		1,568	1,568	0
<i>Total Disbursements</i>	201,030	161,300	161,300	0
<i>Excess of Receipts Over (Under) Disbursements</i>	(67,785)	(17,515)	(17,515)	0
Other Financing Sources (Uses)				
Insurance Reimbursement		24,618	24,618	0
<i>Total Other Financing Sources (Uses)</i>	0	24,618	24,618	0
<i>Net Change in Fund Balance</i>	(67,785)	7,103	7,103	0
<i>Fund Balance Beginning of Year</i>	67,785	67,785	67,785	0
<i>Fund Balance End of Year</i>	\$0	\$74,888	\$74,888	\$0

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Gasoline Tax Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts				
Intergovernmental	\$90,000	\$93,638	\$93,638	\$0
Interest	3,319	831	831	0
Miscellaneous				0
<i>Total Receipts</i>	<u>93,319</u>	<u>94,469</u>	<u>94,469</u>	<u>0</u>
Disbursements				
Current:				
Public Works	163,355	83,582	83,582	0
Capital Outlay	6,000	7,500	7,500	0
Debt Service:				
Principal Retirement		20,066	20,066	0
Interest and Fiscal Charges		947	947	0
<i>Total Disbursements</i>	<u>169,355</u>	<u>112,095</u>	<u>112,095</u>	<u>0</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(76,036)</u>	<u>(17,626)</u>	<u>(17,626)</u>	<u>0</u>
<i>Fund Balance Beginning of Year</i>	<u>76,036</u>	<u>76,036</u>	<u>76,036</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$58,410</u>	<u>\$58,410</u>	<u>\$0</u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual - Budget Basis
 Road and Bridge Fund
 For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$131,317	\$145,957	\$145,957	\$0
Intergovernmental	24,442	24,213	24,213	0
Miscellaneous	800	1,647	1,647	0
<i>Total Receipts</i>	<u>156,559</u>	<u>171,817</u>	<u>171,817</u>	<u>0</u>
Disbursements				
Current:				
Public Works	236,853	209,694	209,694	0
Capital Outlay		5,000	5,000	0
<i>Total Disbursements</i>	<u>236,853</u>	<u>214,694</u>	<u>214,694</u>	<u>0</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(80,294)</u>	<u>(42,877)</u>	<u>(42,877)</u>	<u>0</u>
<i>Fund Balance Beginning of Year</i>	<u>80,294</u>	<u>80,294</u>	<u>80,294</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$37,417</u></u>	<u><u>\$37,417</u></u>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Fire Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$105,000	\$100,649	\$100,649	\$0
Intergovernmental	25,000	17,853	17,853	0
Miscellaneous	43,367	4,882	4,882	0
<i>Total Receipts</i>	173,367	123,384	123,384	0
Disbursements				
Current:				
General Government	40,000			0
Public Safety	175,334	100,333	100,333	0
Capital Outlay		18,933	18,933	0
Debt Service:				
Principal Retirement		21,577	21,577	0
Interest and Fiscal Charges		350	350	0
<i>Total Disbursements</i>	215,334	141,193	141,193	0
<i>Excess of Receipts Over (Under) Disbursements</i>	(41,967)	(17,809)	(17,809)	0
<i>Net Change in Fund Balance</i>	(41,967)	(17,809)	(17,809)	0
<i>Fund Balance Beginning of Year</i>	41,967	41,967	41,967	0
<i>Fund Balance End of Year</i>	\$0	\$24,158	\$24,158	\$0

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Ambulance Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$68,000	\$83,874	\$83,874	\$0
Charges for Services		58,842	58,842	0
Intergovernmental	35,000	14,878	14,878	0
Miscellaneous	6,730	592	592	0
<i>Total Receipts</i>	<u>109,730</u>	<u>158,186</u>	<u>158,186</u>	<u>0</u>
Disbursements				
Current:				
General Government	40,000			0
Public Safety	108,563	140,226	140,226	0
<i>Total Disbursements</i>	<u>148,563</u>	<u>140,226</u>	<u>140,226</u>	<u>0</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(38,833)</u>	<u>17,960</u>	<u>17,960</u>	<u>0</u>
<i>Fund Balance Beginning of Year</i>	<u>38,833</u>	<u>38,833</u>	<u>38,833</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$56,793</u>	<u>\$56,793</u>	<u>\$0</u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Road and Bridge Levy Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$73,500	\$81,614	\$81,614	\$0
Intergovernmental	12,500	12,833	12,833	0
Miscellaneous		1,098	1,098	0
<i>Total Receipts</i>	86,000	95,545	95,545	0
Disbursements				
Current:				
Public Works	338,439	2,057	2,057	0
<i>Total Disbursements</i>	338,439	2,057	2,057	0
<i>Excess of Receipts Over (Under) Disbursements</i>	(252,439)	93,488	93,488	0
<i>Fund Balance Beginning of Year</i>	252,439	252,439	252,439	0
<i>Fund Balance End of Year</i>	\$0	\$345,927	\$345,927	\$0

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Sheriff Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$100,500	\$107,981	\$107,981	\$0
Intergovernmental	15,500	18,478	18,478	0
Miscellaneous		206	206	0
<i>Total Receipts</i>	116,000	126,665	126,665	0
Disbursements				
Current:				
Public Safety	172,851	120,044	120,044	0
<i>Total Disbursements</i>	172,851	120,044	120,044	0
<i>Excess of Receipts Over (Under) Disbursements</i>	(56,851)	6,621	6,621	0
<i>Fund Balance Beginning of Year</i>	56,851	56,851	56,851	0
<i>Fund Balance End of Year</i>	\$0	\$63,472	\$63,472	\$0

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Net Assets - Cash Basis
December 31, 2006

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$666,523</u>
<i>Total Assets</i>	<u><u>\$666,523</u></u>
Net Assets	
Restricted for:	
Other Purposes	\$598,738
Unrestricted	<u>67,785</u>
<i>Total Net Assets</i>	<u><u>\$666,523</u></u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2006

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets	
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General Government	\$101,160				(\$101,160)
Public Safety	336,235	\$67,989	\$9,334		(258,912)
Public Works	269,684		100,283		(169,401)
Health	27,314				(27,314)
Capital Outlay	294,470			\$118,925	(175,545)
Principal Payments	28,152				(28,152)
Interest and Fiscal Charges	4,021				(4,021)
<i>Total Governmental Activities</i>	<u>\$1,061,036</u>	<u>\$67,989</u>	<u>\$109,617</u>	<u>\$118,925</u>	<u>(764,505)</u>
		General Receipts			
		Property Taxes Levied for:			
		General Purposes			546,899
		Grants and Entitlements not Restricted to Specific Programs			110,264
		Notes Issued			21,577
		Cable Franchise Fees			51,284
		Interest			10,214
		Miscellaneous			6,346
		<i>Total General Receipts</i>			<u>746,584</u>
		Change in Net Assets			(17,921)
		<i>Net Assets Beginning of Year</i>			<u>684,444</u>
		<i>Net Assets End of Year</i>			<u>\$666,523</u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2006

	<u>General</u>	<u>Gasoline Tax Fund</u>	<u>Road and Bridge Fund</u>	<u>Fire Fund</u>	<u>Ambulance Fund</u>	<u>Road and Bridge Levy Fund</u>	<u>Sheriff Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets									
Equity in Pooled Cash and Cash Equivalents	\$67,785	\$76,036	\$80,294	\$41,967	\$38,833	\$252,439	\$56,851	\$52,318	\$666,523
<i>Total Assets</i>	<u>\$67,785</u>	<u>\$76,036</u>	<u>\$80,294</u>	<u>\$41,967</u>	<u>\$38,833</u>	<u>\$252,439</u>	<u>\$56,851</u>	<u>\$52,318</u>	<u>\$666,523</u>
Fund Balances									
Unreserved:									
Undesignated (Deficit), Reported in:									
General Fund	\$67,785								\$67,785
Special Revenue Funds		\$76,036	\$80,294	\$41,967	\$38,833	\$252,439	\$56,851	\$52,318	598,738
<i>Total Fund Balances</i>	<u>\$67,785</u>	<u>\$76,036</u>	<u>\$80,294</u>	<u>\$41,967</u>	<u>\$38,833</u>	<u>\$252,439</u>	<u>\$56,851</u>	<u>\$52,318</u>	<u>\$666,523</u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2006

	General	Gasoline Tax Fund	Road and Bridge Fund	Fire Fund	Ambulance Fund	Road and Bridge Levy Fund	Sheriff Fund	Other Governmental Funds	Total Governmental Funds
Receipts									
Property and Other Local Taxes	\$55,347		\$147,192	\$73,202	\$57,465	\$82,333	\$107,412	\$23,948	\$546,899
Charges for Services					67,989				67,989
Licenses, Permits and Fees	51,284								51,284
Intergovernmental	25,821	85,792	24,442	15,706	18,067	12,923	18,645	137,410	338,806
Interest	8,712	1,212						290	10,214
Miscellaneous	1,117	117	790	3,690	632				6,346
<i>Total Receipts</i>	<u>142,281</u>	<u>87,121</u>	<u>172,424</u>	<u>92,598</u>	<u>144,153</u>	<u>95,256</u>	<u>126,057</u>	<u>161,648</u>	<u>1,021,538</u>
Disbursements									
Current:									
General Government	101,160								101,160
Public Safety				69,480	113,898		106,811	46,046	336,235
Public Works	1,045	79,969	172,710			2,314		13,646	269,684
Health	27,314								27,314
Capital Outlay	1,389	43,443		26,957		103,756		118,925	294,470
Debt Service:									
Principal Retirement	8,926	9,762	9,464						28,152
Interest and Fiscal Charges	2,076	745	1,200						4,021
<i>Total Disbursements</i>	<u>141,910</u>	<u>133,919</u>	<u>183,374</u>	<u>96,437</u>	<u>113,898</u>	<u>106,070</u>	<u>106,811</u>	<u>178,617</u>	<u>1,061,036</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>371</u>	<u>(46,798)</u>	<u>(10,950)</u>	<u>(3,839)</u>	<u>30,255</u>	<u>(10,814)</u>	<u>19,246</u>	<u>(16,969)</u>	<u>(39,498)</u>
Other Financing Sources (Uses)									
Notes Issued				21,577					21,577
Transfers In	7,318				8,000				15,318
Transfers Out	(8,000)							(7,318)	(15,318)
<i>Total Other Financing Sources (Uses)</i>	<u>(682)</u>	<u>0</u>	<u>0</u>	<u>21,577</u>	<u>8,000</u>	<u>0</u>	<u>0</u>	<u>(7,318)</u>	<u>21,577</u>
<i>Net Change in Fund Balances</i>	<u>(311)</u>	<u>(46,798)</u>	<u>(10,950)</u>	<u>17,738</u>	<u>38,255</u>	<u>(10,814)</u>	<u>19,246</u>	<u>(24,287)</u>	<u>(17,921)</u>
<i>Fund Balances Beginning of Year</i>	<u>68,096</u>	<u>122,834</u>	<u>91,244</u>	<u>24,229</u>	<u>578</u>	<u>263,253</u>	<u>37,605</u>	<u>76,605</u>	<u>684,444</u>
<i>Fund Balances End of Year</i>	<u>\$67,785</u>	<u>\$76,036</u>	<u>\$80,294</u>	<u>\$41,967</u>	<u>\$38,833</u>	<u>\$252,439</u>	<u>\$56,851</u>	<u>\$52,318</u>	<u>\$666,523</u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$46,209	\$55,347	\$55,347	\$0
Licenses, Permits and Fees		51,284	51,284	0
Intergovernmental	24,953	25,821	25,821	0
Interest	7,394	8,712	8,712	0
Miscellaneous	18,968	1,117	1,117	0
<i>Total Receipts</i>	97,524	142,281	142,281	0
Disbursements				
Current:				
General Government	133,238	101,160	101,160	0
Public Works	7,000	1,045	1,045	0
Health	8,000	27,314	27,314	0
Capital Outlay	9,382	1,389	1,389	0
Debt Service:				
Principal Retirement		8,926	8,926	0
Interest and Fiscal Charges		2,076	2,076	0
<i>Total Disbursements</i>	157,620	141,910	141,910	0
<i>Excess of Receipts Over (Under) Disbursements</i>	(60,096)	371	371	0
Other Financing Sources (Uses)				
Transfers In		7,318	7,318	0
Transfers Out		(8,000)	(8,000)	0
Advances Out	(8,000)			0
<i>Total Other Financing Sources (Uses)</i>	(8,000)	(682)	(682)	0
<i>Net Change in Fund Balance</i>	(68,096)	(311)	(311)	0
<i>Fund Balance Beginning of Year</i>	68,096	68,096	68,096	0
<i>Fund Balance End of Year</i>	\$0	\$67,785	\$67,785	\$0

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Gasoline Tax Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$90,000	\$85,792	\$85,792	\$0
Interest	3,318	1,212	1,212	0
Miscellaneous		117	117	0
<i>Total Receipts</i>	<u>93,318</u>	<u>87,121</u>	<u>87,121</u>	<u>0</u>
Disbursements				
Current:				
Public Works	206,152	79,969	79,969	0
Capital Outlay	10,000	43,443	43,443	0
Debt Service:				
Principal Retirement		9,762	9,762	0
Interest and Fiscal Charges		745	745	0
<i>Total Disbursements</i>	<u>216,152</u>	<u>133,919</u>	<u>133,919</u>	<u>0</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(122,834)</u>	<u>(46,798)</u>	<u>(46,798)</u>	<u>0</u>
<i>Fund Balance Beginning of Year - Restated (See Note 3)</i>	<u>122,834</u>	<u>122,834</u>	<u>122,834</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$76,036</u>	<u>\$76,036</u>	<u>\$0</u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$135,000	\$147,192	\$147,192	\$0
Intergovernmental	15,000	24,442	24,442	0
Miscellaneous		790	790	0
<i>Total Receipts</i>	150,000	172,424	172,424	0
Disbursements				
Current:				
Public Works	241,244	172,710	172,710	0
Debt Service:				
Principal Retirement		9,464	9,464	0
Interest and Fiscal Charges		1,200	1,200	0
<i>Total Disbursements</i>	241,244	183,374	183,374	0
<i>Excess of Receipts Over (Under) Disbursements</i>	(91,244)	(10,950)	(10,950)	0
<i>Fund Balance Beginning of Year</i>	91,244	91,244	91,244	0
<i>Fund Balance End of Year</i>	\$0	\$80,294	\$80,294	\$0

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Fire Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$72,000	\$73,202	\$73,202	\$0
Intergovernmental	10,000	15,706	15,706	0
Miscellaneous		3,690	3,690	0
<i>Total Receipts</i>	82,000	92,598	92,598	0
Disbursements				
Current:				
General Government	18,000			0
Public Safety	88,229	69,480	69,480	0
Capital Outlay		26,957	26,957	0
<i>Total Disbursements</i>	106,229	96,437	96,437	0
<i>Excess of Receipts Over (Under) Disbursements</i>	(24,229)	(3,839)	(3,839)	0
Other Financing Sources (Uses)				
Notes Issued		21,577	21,577	0
<i>Total Other Financing Sources (Uses)</i>	0	21,577	21,577	0
<i>Net Change in Fund Balance</i>	(24,229)	17,738	17,738	0
<i>Fund Balance Beginning of Year</i>	24,229	24,229	24,229	0
<i>Fund Balance End of Year</i>	\$0	\$41,967	\$41,967	\$0

See accompanying notes to the basic financial statements

Washington Township, Scioto County
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual - Budget Basis
 Ambulance Fund
 For the Year Ended December 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$52,000	\$57,465	\$57,465	\$0
Charges for Services		67,989	67,989	0
Intergovernmental	11,000	18,067	18,067	0
Miscellaneous		632	632	0
<i>Total Receipts</i>	<u>63,000</u>	<u>144,153</u>	<u>144,153</u>	<u>0</u>
Disbursements				
Current:				
General Government	38,000			0
Public Safety	33,578	113,898	113,898	0
<i>Total Disbursements</i>	<u>71,578</u>	<u>113,898</u>	<u>113,898</u>	<u>0</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(8,578)</u>	<u>30,255</u>	<u>30,255</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfers In		8,000	8,000	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>8,000</u>	<u>8,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(8,578)</u>	<u>38,255</u>	<u>38,255</u>	<u>0</u>
<i>Fund Balance Beginning of Year</i>	<u>578</u>	<u>578</u>	<u>578</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>(\$8,000)</u></u>	<u><u>\$38,833</u></u>	<u><u>\$38,833</u></u>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual - Budget Basis
 Road and Bridge Levy Fund
 For the Year Ended December 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$81,000	\$82,333	\$82,333	\$0
Intergovernmental	9,000	12,923	12,923	0
<i>Total Receipts</i>	90,000	95,256	95,256	0
Disbursements				
Current:				
Public Works	353,253	2,314	2,314	0
Capital Outlay		103,756	103,756	0
<i>Total Disbursements</i>	353,253	106,070	106,070	0
<i>Excess of Receipts Over (Under) Disbursements</i>	(263,253)	(10,814)	(10,814)	0
<i>Fund Balance Beginning of Year</i>	263,253	263,253	263,253	0
<i>Fund Balance End of Year</i>	\$0	\$252,439	\$252,439	\$0

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Sheriff Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$103,500	\$107,412	\$107,412	\$0
Intergovernmental	16,500	18,645	18,645	0
<i>Total Receipts</i>	<u>120,000</u>	<u>126,057</u>	<u>126,057</u>	<u>0</u>
Disbursements				
Current:				
Public Safety	167,913	106,811	106,811	0
<i>Total Disbursements</i>	<u>167,913</u>	<u>106,811</u>	<u>106,811</u>	<u>0</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(47,913)</u>	<u>19,246</u>	<u>19,246</u>	<u>0</u>
<i>Fund Balance Beginning of Year</i>	<u>37,605</u>	<u>37,605</u>	<u>37,605</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>(\$10,308)</u></u>	<u><u>\$56,851</u></u>	<u><u>\$56,851</u></u>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 1 – Reporting Entity

The Washington Township, Scioto County, Ohio (the Township), is a body politic and corporate 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 three-member Board of Trustees elected at large for four year terms. The Township also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges, cemetery maintenance, fire protection and emergency medical services. Police protection is provided by the Scioto County Sheriff's Department.

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township.

The Township has no component units.

C. Joint Ventures

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. Under the cash basis of accounting, the Township does not report assets for equity interests in joint ventures.

The Township has no joint ventures.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

Washington Township, Scioto County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net assets presents the cash balance of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for each of the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. All funds of the Township are governmental funds.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g., grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire Fund, Ambulance Fund, Road and Bridge Levy Fund and the Sheriff Fund. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio. The Gasoline Tax Fund is used to account for road work done by the Township. The Road and Bridge Fund is used to account for road work done by the Township. The Fire Fund receives

Washington Township, Scioto County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

property tax money to provide fire protection to residents of the Township. The Ambulance Fund receives property tax money to provide ambulatory services to residents of the Township. The Road and Bridge Levy Fund receives property tax money to provide for maintenance of the Township's roads. The Sheriff Fund receives property tax money to provide police protection to residents of the Township via a contract with the Scioto County Sheriff's Department. The other governmental funds of the Township account for taxes and other resources whose use is restricted to a particular purpose.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Trustees may appropriate.

The appropriations ordinance is the Board of Trustees' authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Board of Trustees. The legal level of control has been established at the fund, function, and object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Board of Trustees.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board of Trustees during the year.

E. Cash and Cash Equivalents

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale

Washington Township, Scioto County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

are recorded as receipts or negative receipts (contra revenue), respectively.

During 2006 and 2007, the Township did not have any investments.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2007 and 2006 were \$8,542 and \$8,712, respectively, and \$1,090 and \$1,502, respectively, was credited to other Township funds.

F. Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

G. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

H. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's cash basis of accounting.

I. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

J. Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

K. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for operations of the fire department, emergency management services department and maintenance of roads.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available. Net assets restricted for other purposes include resources restricted for the Gasoline Tax Fund, Road and Bridge Fund, Fire Fund, Ambulance Fund, Road and Bridge Levy Fund and Sheriff Fund.

L. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves were not utilized by the Township.

Washington Township, Scioto County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

M. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Restatement of Beginning Balances

The January 1, 2006 balance in the Statement of Cash Receipts, Disbursements, and Changes in Fund Balance – Budget and Actual Budget Basis for the Gasoline Tax Fund was restated from \$123,134 to \$122,834, a decrease of \$300.

The January 1, 2006 balance of the building demolition note was restated from \$36,083 to \$38,884, an increase of \$2,801. Also, the January 1, 2006 balance of the dump truck note was restated from \$49,747 to \$49,759, a decrease of \$12.

Note 4 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Fire Fund, Ambulance Fund, Road and Bridge Levy Fund and Sheriff Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. All encumbrances were canceled at year end.

Note 5 – Deposits

Monies held by the Township are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Township treasury. Active monies must be maintained either as cash in the Township treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Board has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation,

Washington Township, Scioto County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

3. Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
4. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
5. Bonds and other obligations of the State of Ohio or Ohio local governments;
6. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in Division (1) or (2) of Ohio Rev. Code Section 135.18 and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAROhio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity.

Deposits

Custodial credit risk for deposits is the risk that, in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2007, the carrying amount of the Township's deposits was \$723,859 and the bank balance was \$736,206. Of the bank balance, \$736,206 was covered by the Federal Depository Insurance Corporation or collateralized. At December 31, 2006, the carrying amount of the Township's deposits was \$666,523 and the bank balance was \$686,465. Of the bank balance, \$686,465 was covered by the Federal Depository Insurance Corporation or collateralized. Although all State Statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Township to a successful claim by the Federal Depository Insurance Corporation.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Note 6 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2007 represent the collection of 2006 taxes. Real property taxes received in 2007 were levied after October 1, 2006, on the assessed values as of January 1, 2006, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2007 represent the collection of 2006 taxes. Public utility

Washington Township, Scioto County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

real and tangible personal property taxes received in 2006 became a lien on December 31, 2003, were levied after October 1, 2006, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2007 (other than public utility property) represent the collection of 2007 taxes. Tangible personal property taxes received in 2007 were levied after October 1, 2006, on the true value as of December 31, 2006. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the years ended December 31, 2007 and 2006, was 22.11 mills. The assessed values of real property, public utility property, and tangible personal property upon which property tax receipts were based are as follows:

	<u>2007</u>	<u>2006</u>
Real Property		
Residential/Agriculture	\$39,217,790	\$35,144,540
Public Utility Property	2,157,350	2,495,410
Tangible Personal Property	737,120	787,020
Total Assessed Value	\$42,112,260	\$38,426,970

Note 7 – Risk Management

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

For an occurrence prior to January 1, 2006, OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust PEP's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (prior to January 1, 2006) or \$3,000,000 (on or subsequent to January 1, 2006).

Property Coverage

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence.

Washington Township, Scioto County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. This amount increased to \$300,000 in 2007. For 2007, APEEP reinsures members for specific losses exceeding \$100,000 up to \$300,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000 in 2006, or \$100,000 and \$300,000 in 2007, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2007 was \$2,014,548.

The aforementioned casualty and property reinsurance agreements do not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Assets	\$43,210,703	\$42,042,275
Liabilities	(13,357,837)	(12,120,661)
Net Assets	<u>\$29,852,866</u>	<u>\$29,921,614</u>

At December 31, 2007 and 2006, respectively, liabilities above include approximately \$12.5 million and \$11.3 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$11.6 million and \$10.8 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$21,394. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

<u>Contributions to OTARMA</u>	
2005	\$28,901
2006	\$28,680
2007	\$22,760

Washington Township, Scioto County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA provided they provide written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Note 8 – Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2007, the members of all three plans were required to contribute 9.5 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2007 was 13.85 percent. For the year ended December 31, 2006, the members of all three plans were required to contribute 9 percent of their annual covered salaries. The Township's contribution rate for pension benefits for 2006 was 13.7 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were \$26,113, \$22,230, and \$21,367 respectively. The full amount has been contributed for 2007, 2006 and 2005.

Note 9 - Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 local government employer contribution rate was 13.85 percent of covered payroll; 5.00 percent of covered payroll was the portion that was used to fund health care.

Washington Township, Scioto County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between 0.50 percent and 6.3 percent based on additional annual pay increases. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 0.50 to 8 percent annually for the next eight years and 4 percent annually beyond that.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 374,979. The number of active contributing participants for both plans in the December 31, 2006 actuarial valuation was 362,130. The actual contributions for 2007 and 2006 which were used to fund postemployment benefits were \$9,427 and \$7,302, respectively. The actuarial value of OPERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) was \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. To improve the solvency of the Health Care Fund, OPERS created a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which will allow additional funds to be allocated to the health care plan.

Note 10 – Debt

The Township's long-term debt activity for the year ended December 31, 2007, was as follows:

	Interest Rate	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2007
Governmental Activities					
General Obligation Notes:					
Building Demolition Note	5.57%	\$29,958		\$9,434	\$20,524
Dump Truck Note	3.73%	30,533		20,066	10,467
Fire Station Roof Note	5.75%	21,577		21,577	0
Total		<u>\$82,068</u>	<u>\$0</u>	<u>\$51,077</u>	<u>\$30,991</u>

The Township's long-term debt activity for the year ended December 31, 2006, was as follows:

	Interest Rate	Restated Balance December 31, 2005	Additions	Reductions	Balance December 31, 2006
Governmental Activities					
General Obligation Notes:					
Building Demolition Note	5.57%	\$38,884		\$8,926	\$29,958
Dump Truck Note	3.73%	49,759		19,226	30,533
Fire Station Roof Note	5.75%		21,577		21,577
Total		<u>\$88,643</u>	<u>\$21,577</u>	<u>\$28,152</u>	<u>\$82,068</u>

Washington Township, Scioto County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

On January 1, 2003, the Township took out a note for \$70,000 to finance the demolition of an old high school on Township property. The Township is scheduled to make semi-annual payments in the amount of \$5,501.23, which includes interest, through July 25, 2009. The note is collateralized by the value of the land.

On November 9, 2004, the Township took out a note for \$77,662 to finance the purchase of a new dump truck. The Township was scheduled to make one final payment in the amount of \$10,506.83, which includes interest, on April 11, 2008. The loan is collateralized by the value of the dump truck.

On December 7, 2006, the Township took out a note for the emergency repair of the Fire Station Roof. The note was subsequently paid off on March 26, 2007.

The following is a summary of the Township's future annual debt service requirements:

<u>Governmental Type Activity Debt</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$20,464	\$1,046	\$21,510
2009	10,527	475	11,002
Total	<u>\$30,991</u>	<u>\$1,521</u>	<u>\$32,512</u>

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Township. The Revised Code further provides that total voted and unvoted net debt of the Township less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation. The effects of the debt limitations at December 31, 2007 and 2006 respectively were an overall debt margin of \$3,134,551 and \$3,141,769 and an unvoted debt margin of \$1,641,908 and \$1,645,689.

Note 11 – Interfund Transfers

The following transfers were made:

<u>From:</u>	<u>To:</u>	<u>2006 Amount</u>
FEMA Project 05/06 Fund	General Fund	\$6,168
Miscellaneous Special Revenue Fund	General Fund	889
Debt Service Fund	General Fund	261
General Fund	Ambulance Fund	8,000
		<u>\$15,318</u>

Note 12 – Contingent Liabilities

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 13 – Subsequent Events

On June 25, 2008, the Board of Township Trustees approved awarding a contract for street paving to Cunningham Asphalt Paving Inc., in the amount of \$140,961.33.

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Washington Township
Scioto County
2220 Pershing Avenue
West Portsmouth, Ohio 45663

To the Board of Township Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Washington Township, Scioto County, Ohio (the Township), as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Township's basic financial statements and have issued our report thereon dated August 19, 2008, wherein, we noted the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standards Board Statement 34. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

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We consider the following deficiency described in the accompanying Schedule of Findings to be a significant deficiency in internal control over financial reporting: 2007-003.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, of the significant deficiencies described above, we believe finding number 2007-003 is also a material weakness.

We also noted certain internal control matters that we reported to the Township's management in a separate letter dated August 19, 2008.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed an instance of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as items 2007-001 and 2007-002.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated August 19, 2008.

We intend this report solely for the information and use of the audit committee, management, and the Board of Township Trustees. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

August 19, 2008

**WASHINGTON TOWNSHIP
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

Finding Number 2007-001

Noncompliance Citation

Ohio Rev. Code Section 5705.39 provides in part that total appropriations from each fund shall not exceed the total estimated resources. No appropriation measure is effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

As discussed in Auditor of State Bulletin 97-012, if a local government is participating in a grant or loan program whereby proceeds will be received after the expenditures are incurred, it is possible that if properly budgeted, appropriations for one fiscal year will exceed the available amount on the certificate of estimated resources. However, an advance should be used to prevent a negative fund balance. Negative variances in grant funds, between appropriations and certified available resources, should be investigated to determine the cause of the variance.

The following instances were identified where appropriations exceeded estimated resources:

Fund	Estimated Resources	Appropriations	Dollar Variance
<u>November 26, 2006:</u>			
Motor Vehicle License Tax Fund	\$35,574	\$195,232	(\$159,658)
Gasoline Tax Fund	157,597	169,355	(11,758)
Fire Fund	165,080	215,334	(50,254)
<u>December 12, 2006:</u>			
Motor Vehicle License Tax Fund	35,574	58,212	(22,638)
Gasoline Tax Fund	157,597	169,355	(11,758)
Fire Fund	165,080	215,334	(50,254)

This could result in negative fund balances if not monitored.

We recommend the Township Fiscal Officer and Board of Township Trustees ensure all appropriations are less than the estimated resources prior to approval.

Finding Number 2007-002

Noncompliance Citation

Ohio Rev. Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

WASHINGTON TOWNSHIP
SCIOTO COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding Number 2007-002 (Continued)

Noncompliance Citation - Ohio Rev. Code Section 5705.41(D)(1)(Continued)

1. "Then and Now" Certificate – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Township can authorize the drawing of a warrant for the payment of the amount due. The Township has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Township.

2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

3. Super Blanket Certificate – The Township may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Fifty percent (50%) of disbursements tested in 2006 and fifty-three percent (53%) of disbursements tested in 2007 had invoice dates preceding the encumbrance date. Failure to certify the availability of funds properly can result in overspending funds and negative cash fund balances.

Unless the Township uses the exceptions noted above, prior certification is not only required by statute but is also a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township's funds exceeding budgetary spending limitations, we recommend the Township Fiscal Officer certify that funds are or will be available prior to obligation by the Township. When prior certification is not possible, "then and now" certification should be used.

We recommend the Township officials and employees obtain the Township Fiscal Officer's certification of the availability of funds prior to the commitment being incurred. The most convenient certification method is to use purchase orders that include the certificate language of Section 5705.41(D) requires to authorize disbursements. The Township Fiscal Officer should sign the certification at the time the Township incurs the commitment, and only when the requirements of Section 5705.41(D) are satisfied. The Township Fiscal Officer should post approved purchase orders to the proper appropriation code to reduce the available appropriation.

**WASHINGTON TOWNSHIP
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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Finding Number 2007-003

Material Weakness

Sound financial reporting is the responsibility of the fiscal officer and governing board and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

As a result of the audit procedures performed, the following errors were noted in the financial statements that required audit reclassification:

- * In 2006, FEMA fire grant monies totaling \$69,825 were posted as Miscellaneous Revenue and Public Safety expenditures in the Fire Fund instead of as Intergovernmental Revenue and Capital Outlay expenditures in a FEMA Fire Grant Fund.
- * In 2006, a Community Development Block Grant project performed by Scioto County on behalf of the Township totaled \$49,100. The Township did not record the Intergovernmental Revenue receipt and Capital Outlay expenditure in a Community Development Block Grant Fund.
- * In 2006 and 2007, Cable Franchise Fees totaling \$51,284 and \$50,546, respectively, were posted as Miscellaneous Revenue in the General Fund instead of Licenses, Permits and Fees.
- * In 2006 and 2007, ambulance run fees collected, totaling \$69,989 and \$58,842, respectively, were posted as Miscellaneous Revenue in the Ambulance Fund instead of Charges for Services.
- * In 2007, insurance reimbursement for water damage, totaling \$24,618, was posted as Miscellaneous Revenue in the General Fund instead of Insurance Reimbursement.
- * In 2006, expenditures totaling \$174,156 for disbursements for purchase of a backhoe, lawn mower, paving project, fire equipment, etc. were posted as Public Works, Public Safety and General Government in the Gasoline Tax Fund, Fire Fund and Road and Bridge Levy Fund instead of as Capital Outlay.
- * In 2006, disbursements in the Fire Fund, totaling \$15,920, and the Ambulance Fund, totaling \$32,597, were posted as General Government instead of Public Safety.
- * In 2007, disbursements for the purchase of furniture, totaling \$8,612, were posted as General Government in the General Fund instead of Capital Outlay.
- * In 2007, expenditures totaling \$35,933 for disbursements for purchase of equipment were posted as Public Works, Public Safety and General Government in the Motor Vehicle License Tax Fund, Gasoline Tax Fund, Road and Bridge Fund and Fire Fund instead of as Capital Outlay.
- * In 2007, disbursements in the Fire Fund, totaling \$9,657, and the Ambulance Fund, totaling \$37,757, were posted as General Government instead of Public Safety.
- * In 2006 and 2007, disbursements for the payment of debt were posted to General Government in the General Fund and Public Works in the Gasoline Tax Fund and Road and Bridge Fund instead of Principal and Interest.
- * In 2006, the Sale of Notes, totaling \$21,577, was posted as Miscellaneous Revenue in the Fire Fund instead of Notes Issued.

**WASHINGTON TOWNSHIP
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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Finding Number 2007-003 (Continued)

Material Weakness (Continued)

To ensure the Township's financial statements and notes to the financial statements are complete and accurate, the Township should adopt policies and procedures, including a final review of the statements and notes by the Township Fiscal Officer or Board of Township Trustees, to identify and correct errors or omissions.

Officials' Response:

We did not receive a response from Officials to the findings reported above.

WASHINGTON TOWNSHIP
SCIOTO COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007 AND 2006

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2005-001	Ohio Rev. Code Section 5705.41 (D)(1), expenditures were not properly encumbered	No	See Finding Number 2007-002



Mary Taylor, CPA
Auditor of State

WASHINGTON TOWNSHIP

SCIOTO 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 2, 2008**