

**WASHINGTON TOWNSHIP
LOGAN COUNTY, OHIO**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2000 AND 1999



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Trustees
Washington Township
Logan County
8532 County Road 91
Lewistown, Ohio 43333

We have reviewed the Independent Auditor's Report of Washington Township, Logan County, prepared by Van Kregel & Company, for the audit period January 1, 1999 through December 31, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Washington Township is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

July 23, 2001

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WASHINGTON TOWNSHIP
LOGAN COUNTY, OHIO
YEARS ENDED DECEMBER 31, 2000 AND 1999

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Van Krevel & Company
Certified Public Accountants
P. O. Box 1432
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Report of Independent Accountants

Board of Trustees
Washington Township
Logan County
8532 County Road 91
Lewistown, Ohio 43333

To the Board of Trustees:

We have audited the accompanying financial statements of Washington Township, Logan County, Ohio, as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Washington Township, Logan County, Ohio, as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2001, on our consideration of the Government's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report when considering the results of our audits.

This report is intended solely for the information and use of the management, Board of Trustees and other officials authorized to receive this report under Section 117.26, Ohio Revised Code and is not intended to be and should not be used by anyone other than these specified parties.

/s/ VAN KREVEL & COMPANY

May 26, 2001

WASHINGTON TOWNSHIP
LOGAN COUNTY, OHIO

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

	General <u>Fund</u>	Special <u>Revenue</u>	Total (Memo <u>Only</u>)
CASH RECEIPTS			
Taxes	\$ 33,074	\$168,725	\$201,799
Charges for Services	0	6,972	6,972
Licenses, Permits and Fees	6,342	5,353	11,695
Intergovernmental Receipts	120,277	74,761	195,038
Special Assessments	0	16,328	16,328
Interest	3,377	640	4,017
Other Revenue	<u>350</u>	<u>6,878</u>	<u>7,228</u>
TOTAL CASH RECEIPTS	163,420	279,657	443,077
CASH DISBURSEMENTS			
General Government	78,809	51	78,860
Public Safety	1,916	51,215	53,131
Public Works	641	87,916	88,557
Health	5,176	0	5,176
Capital Outlay	<u>6,589</u>	<u>7,138</u>	<u>13,727</u>
TOTAL CASH DISBURSEMENTS	93,131	146,320	239,451
 Total Receipts Over (Under) Disbursements	 70,289	 133,337	 203,626
 Fund Cash Balances-January 1, 2000	 <u>102,995</u>	 <u>170,794</u>	 <u>273,789</u>
 Fund Cash Balances-December 31, 2000	 <u>\$173,284</u>	 <u>\$304,131</u>	 <u>\$477,415</u>
 Reserve for Encumbrances-December 31, 2000	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 0</u>

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

WASHINGTON TOWNSHIP
LOGAN COUNTY, OHIO

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

	Non-Expendable <u>Trust</u>
CASH RECEIPTS	
Interest	\$ 94
CASH DISBURSEMENTS	
General	<u>0</u>
Total Receipts Over (Under) Disbursements	94
Fund Cash Balance - January 1, 2000	<u>2,822</u>
Fund Cash Balance - December 31, 2000	<u>\$2,916</u>
Reserve for Encumbrances-December 31, 2000	<u>\$ 0</u>

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

WASHINGTON TOWNSHIP
LOGAN COUNTY, OHIO

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

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Total (Memo Only)</u>
CASH RECEIPTS			
Taxes	\$ 33,329	\$129,546	\$162,875
Charges for Services	0	6,972	6,972
Licenses, Permits and Fees	6,681	5,921	12,602
Intergovernmental Receipts	75,411	74,038	149,449
Special Assessments	0	16,079	16,079
Interest	2,562	714	3,276
Other Revenue	<u>0</u>	<u>2,244</u>	<u>2,244</u>
TOTAL CASH RECEIPTS	117,983	235,514	353,497
CASH DISBURSEMENTS			
General Government	79,396	37	79,433
Public Safety	2,058	44,765	46,823
Public Works	419	122,892	123,311
Health	4,946	0	4,946
Capital Outlay	<u>0</u>	<u>54,207</u>	<u>54,207</u>
TOTAL CASH DISBURSEMENTS	86,819	221,901	308,720
 Total Receipts Over (Under) Disbursements	 31,164	 13,613	 44,777
 Fund Cash Balances-January 1, 1999	 71,031	 158,711	 229,742
Fund Cash Balances Adjustment	<u>800</u>	<u>(1,530)</u>	<u>(730)</u>
 Fund Cash Balances After Adjustment	 71,831	 157,181	 229,012
 Fund Cash Balances-December 31, 1999	 <u>\$102,995</u>	 <u>\$170,794</u>	 <u>\$273,789</u>
 Reserve for Encumbrances-December 31, 1999	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 0</u>

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

WASHINGTON TOWNSHIP
LOGAN COUNTY, OHIO

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

	Non-Expendable <u>Trust</u>
CASH RECEIPTS	
Interest	\$ 92
CASH DISBURSEMENTS	
General	<u>0</u>
Total Receipts Over (Under) Disbursements	92
Fund Cash Balance - January 1, 1999	2,000
Fund Cash Balance Adjustment	<u>730</u>
Fund Cash Balance After Adjustment	2,730
Fund Cash Balance - December 31, 1999	<u>\$2,822</u>
Reserve for Encumbrances - December 31, 1999	<u>\$ 0</u>

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

WASHINGTON TOWNSHIP
LOGAN COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2000 AND 1999

1. Summary of Significant Accounting Policies

A. Description of the Entity

Washington Township, Logan County, Ohio is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance, cemetery maintenance, emergency medical services, fire protection and police services.

The Township contracts with Indian Lake Emergency Medical Services, Inc., to provide emergency medical services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

C. Cash

Cash includes certificates of deposit with a maturity date of less than 2 years which are valued at cost.

D. Fund Accounting

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

WASHINGTON TOWNSHIP
LOGAN COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2000 AND 1999

General Fund

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

Special Revenue Funds

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

Road and Bridge Fund - This fund receives tax money for maintaining and repairing Township roads and bridges.

Police District Fund - This fund receives money from a special assessment to help pay for the cost of police protection.

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

Fiduciary Funds (Trust and Agency Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Township to maintain the corpus of the trust, the fund is classified as a non-expendable trust fund. The Township had the following significant fiduciary fund.

Cemetery Bequest Fund (non-expendable). This fund receives interest from bequests for maintaining Township cemeteries.

E. Budgetary Process

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

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Township must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

WASHINGTON TOWNSHIP
 LOGAN COUNTY, OHIO
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2000 AND 1999

Estimated Resources

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

Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated..

A summary of 2000 and 1999 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Township.

2. Equity in Pooled Cash

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

	<u>2000</u>	<u>1999</u>
Demand deposits	\$478,331	\$274,611
Certificates of deposit	<u>2,000</u>	<u>2,000</u>
Total deposits and investments	<u>\$480,331</u>	<u>\$276,611</u>

Deposits:

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

WASHINGTON TOWNSHIP
 LOGAN COUNTY, OHIO
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2000 AND 1999

3. Budgetary Activity

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

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$119,800	\$163,420	\$43,620
Special Revenue	280,514	279,657	(857)
Non-Expendable Trust	<u>92</u>	<u>94</u>	<u>2</u>
Total	<u>\$400,406</u>	<u>\$443,171</u>	<u>\$42,765</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$222,887	\$93,131	\$129,756
Special Revenue	451,307	146,320	304,987
Non-Expendable Trust	<u>822</u>	<u>0</u>	<u>822</u>
Total	<u>\$675,016</u>	<u>\$239,451</u>	<u>\$435,565</u>

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$118,570	\$117,893	(\$587)
Special Revenue	212,021	235,514	23,493
Non Expendable Trust	<u>94</u>	<u>92</u>	<u>(2)</u>
Total	<u>\$330,685</u>	<u>\$353,589</u>	<u>\$22,904</u>

WASHINGTON TOWNSHIP
 LOGAN COUNTY, OHIO
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2000 AND 1999

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$190,401	\$86,819	\$103,582
Special Revenue	370,506	221,901	148,605
Non-Expendable Trust	<u>824</u>	<u>0</u>	<u>824</u>
Total	<u>\$561,731</u>	<u>\$308,720</u>	<u>\$253,011</u>

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Township .

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

5. Retirement Systems

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plans. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for the period from January 1, 1999 through June 30, 2000. For the period from July 1, 2000 through December 31, 2000, there was a temporary reduction which lowered the employer rate to 8.13%. The Township has paid all contributions required through December 31, 2000.

WASHINGTON TOWNSHIP
 LOGAN COUNTY, OHIO
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2000 AND 1999

6. Risk Management

The Township has obtained commercial insurance for the following risks:

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

The Township also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

7. Fund Cash Balance Adjustments

Effective January 1, 1999, adjustments were made between funds to reclassify beginning fund balances as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Non Expendable Trust</u>
Reclassification of:			
Prior period cemetery lot sales	\$800	\$ (800)	\$ 0
Accumulated interest, net of expenditures on non-expendable trust funds	<u>0</u>	<u>(730)</u>	<u>730</u>
	<u>\$800</u>	<u>\$(1,530)</u>	<u>\$730</u>

Van Krevel & Company
Certified Public Accountants
P. O. Box 1432
Dublin, Ohio 43017-6432
614/761-3743

**Report of Independent Accountants on Compliance and on Internal Control
Required by Government Auditing Standards**

Board of Trustees
Washington Township
Logan County, Ohio
8352 County Road 91
Lewistown, Ohio 43333

To the Board of Trustees:

We have audited the accompanying financial statements of Washington Township, Logan County, Ohio, as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 26, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level of risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report that we have reported to management of the Township in a separate letter dated May 26, 2001.

Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Washington Township, Logan County, Ohio
May 26, 2001
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This report is intended for the information of the audit committee, Board of Trustees, and management and is not intended to be and should not be used by anyone other than these specified parties.

/s/ VAN KREVEL & COMPANY

May 26, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Facsimile 614-466-4490

WASHINGTON TOWNSHIP

LOGAN 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
AUGUST 9, 2001**