



**WASHINGTON TOWNSHIP REGIONAL PARK DISTRICT
LUCAS COUNTY**

FINAL AUDIT

FOR THE PERIOD JANUARY 1, 2004 THROUGH JUNE 3, 2005



**Auditor of State
Betty Montgomery**

**WASHINGTON TOWNSHIP REGIONAL PARK DISTRICT
LUCAS COUNTY**

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**Auditor of State
Betty Montgomery**

Washington Township Regional Park District
Lucas County
5714 Blessing, PO Box 5133
Toledo, Ohio 43611-5133

To the Board of Commissioners:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005, interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

April 18, 2006

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Washington Township Regional Park District
Lucas County
5714 Blessing, PO Box 5133
Toledo, Ohio 43611-5133

To the Board of Commissioners:

We have audited the accompanying financial statements of the Washington Township Regional Park District, Lucas County, (the District) as of and for the fiscal periods ended June 3, 2005, and December 31, 2004. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the District has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the District to reformat its financial statement presentation and make other changes effective for the periods ended June 3, 2005, and December 31, 2004. Instead of the fund the accompanying financial statements present for 2005 and 2004, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2005 and 2004. While the District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The District has elected not to reformat its statements. Since this District does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the periods ended June 3, 2005, and December 31, 2004, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 3, 2005, and December 31, 2004, for the periods then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of Washington Township Regional Park District, Lucas County, as of June 3, 2005 and December 31, 2004, and its cash receipts and disbursements for the periods then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the District to include Management's Discussion and Analysis for the periods ended June 3, 2005, and December 31, 2004. The District has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2006, on our consideration of the District'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.



Betty Montgomery
Auditor of State

April 18, 2006

**WASHINGTON TOWNSHIP REGIONAL PARK DISTRICT
LUCAS COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GENERAL FUND
FOR THE PERIOD ENDED JUNE 3, 2005**

	General Fund
Cash Receipts:	
General Property Tax - Real Estate	\$24,454
Intergovernmental	3,294
Investment Income	267
Rentals	2,601
Other Receipts	146
Total Cash Receipts	30,762
Cash Disbursements:	
Current:	
Salaries - Employees	3,000
Supplies and Materials	706
Maintenance and Repair	6,823
Contracts - Services	2,243
Property Taxes	176
Utilities	2,782
Public Employees Retirement	407
Workers' Compensation	232
Capital Outlay	6,141
Other	267
Total Cash Disbursements	22,777
Total Receipts Over Disbursements	7,985
Fund Cash Balance, January 1	78,958
Fund Cash Balance, June 3	\$86,943

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

**WASHINGTON TOWNSHIP REGIONAL PARK DISTRICT
LUCAS COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>General Fund</u>
Cash Receipts:	
General Property Tax - Real Estate	\$51,805
Intergovernmental	9,595
Investment Income	496
Rentals	5,300
Other Receipts	<u>393</u>
 Total Cash Receipts	 <u>67,589</u>
Cash Disbursements:	
Current:	
Salaries - Employees	3,000
Supplies and Materials	4,020
Insurance	5,251
Maintenance and Repair	7,477
Contracts - Services	5,560
Property Taxes	1,416
Utilities	5,576
Public Employees Retirement	407
Workers' Compensation	527
Capital Outlay	5,212
Debt:	
Payment of Principal	15,000
Payment of Interest	1,336
Other	<u>2,657</u>
 Total Cash Disbursements	 <u>57,439</u>
 Total Receipts Over Disbursements	 10,150
 Fund Cash Balance, January 1	 <u>68,808</u>
 Fund Cash Balance, December 31	 <u><u>\$78,958</u></u>

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

**WASHINGTON TOWNSHIP REGIONAL PARK DISTRICT
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 3, 2005 AND DECEMBER 31, 2004**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Washington Township Regional Park District, Lucas County, (the District) as a body corporate and politic. The probate judge of Lucas County appoints a three-member Board of Commissioners to govern the District. The Commissioners are authorized to acquire, develop, protect, maintain, and improve park lands and facilities. The Commissioners may convert acquired land into forest reserves. The Commissioners are also responsible for activities related to conserving natural resources, including streams, lakes, submerged lands, and swamp lands. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of these assets conducive to the general welfare.

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

B. Basis of Accounting

These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

C. Fund Accounting

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

1. General Fund

The General Fund accounts for all financial resources.

D. Budgetary Process

The Ohio Revised Code requires the Board of Commissioners to budget its fund annually.

1. Appropriations

Budgetary expenditures (that is, disbursements) may not exceed appropriations at the fund level of control, and appropriations may not exceed estimated resources. Appropriation Authority includes current year appropriations plus encumbrances carried over from the prior year (if any). The Board must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

**WASHINGTON TOWNSHIP REGIONAL PARK DISTRICT
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 3, 2005 AND DECEMBER 31, 2004
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1.

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. The District did not use the encumbrance method of accounting.

A summary of 2005 and 2004 budgetary activity appears in Note 3.

E. Property, Plant, and Equipment

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

2. EQUITY IN POOLED CASH

The District maintains a cash pool for all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at June 3, 2005, and December 31, 2004, was as follows:

	2005	2004
Demand deposits	\$86,943	\$78,958

Deposits are insured by the Federal Depository Insurance Corporation.

3. BUDGETARY ACTIVITY

Budgetary activity for the periods ending June 3, 2005, and December 31, 2004, follows:

2005 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$56,500	\$30,762	(\$25,738)

2005 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$68,825	\$22,777	\$46,048

**WASHINGTON TOWNSHIP REGIONAL PARK DISTRICT
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 3, 2005 AND DECEMBER 31, 2004
(Continued)**

3. BUDGETARY ACTIVITY – (Continued)

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$56,500	\$67,589	\$11,089

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$73,825	\$57,439	\$16,386

The District did not certify funds during the audit period.

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board of Park Commissioners adopts rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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 District.

Property owners assess tangible personal property tax. They must file a list of this 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 District.

5. DEBT

Debt outstanding at June 3, 2005, was as follows:

	Principal	Interest Rate
General Obligation Bond	\$37,500	2.75%

The District issued a Township Park District Bond on July 1, 2002, in the amount of \$75,000 at 2.75 percent for a term of five years for the purpose of paying a portion of the cost of improving Shoreland Park by constructing, furnishing, and equipping a new shelter house. Interest and principal payments are due semi-annually to KeyBank national Association. The Bond is collateralized by the taxing authority of the District.

**WASHINGTON TOWNSHIP REGIONAL PARK DISTRICT
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 3, 2005 AND DECEMBER 31, 2004
(Continued)**

5. DEBT – (Continued)

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

Year ending December 31:	General Obligation Bond
2005	\$15,928
2006	15,516
2007	7,603
Total	\$39,047

6. RETIREMENT SYSTEM

The District's full-time employee belongs to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes retirement benefits, including postretirement healthcare, and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2005 and 2004, OPERS members contributed 8.5 percent of their gross salaries. The District contributed an amount equal to 13.55 percent of participants' gross salaries. The District has paid all contributions required through June 3, 2005.

7. RISK MANAGEMENT

Risk Pool Membership

The Government belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to approximately 500 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except for the 5% portion retained by the Plan. After September 1, 2003, the Plan pays the lesser of 5% or \$25,000 of casualty losses and the lesser of 5% or \$50,000 of property losses. The individual members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31: 2004 and 2003 (the latest information available):

**WASHINGTON TOWNSHIP REGIONAL PARK DISTRICT
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 3, 2005 AND DECEMBER 31, 2004
(Continued)**

7. RISK MANAGEMENT – (Continued)

	<u>2004</u>	<u>2003</u>
Assets	\$6,685,522	\$5,402,167
Liabilities	<u>\$2,227,808</u>	<u>\$1,871,123</u>
Members' Equity	<u>\$4,457,714</u>	<u>\$3,531,044</u>

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, www.ohioplan.org.

8. RELATED PARTY TRANSACTIONS

In 2004, the Board contracted for park mowing services with a relative of one of the Board members. In 2004, said relative was paid \$2,400 for mowing services and \$493 for other miscellaneous supplies, repairs and mileage. In 2005, the Board paid \$425 for mowing services and \$163 dollars for miscellaneous repairs.

In 2004 and 2005, the Board paid the appointed Clerk, who is the wife of one of the Board members \$6,000 in wages (\$3,000 for each year) and \$1,118 in 2004, and \$351 in 2005 for computer repairs, supplies, mileage, and internet services.

9. PARK DISTRICT CLOSURE

The closure of the Park District as a separate governmental entity on June 3, 2005, was approved by the Lucas County Court of Common Pleas. All fund balances, debt and capital assets were taken over by Washington Township. The Township created a separate fund for the park and its operation. All bank balance amounts as of June 3, 2005, were transferred to Washington Township and the Park District bank accounts were closed.

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**Auditor of State
Betty Montgomery**

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

Washington Township Regional Park District
Lucas County
5714 Blessing, PO Box 5133
Toledo, Ohio 43611-5133

To the Board of Commissioners:

We have audited the financial statements of the Washington Township Regional Park District, Lucas County, (the District) as of and for the periods ended June 3, 2005, and December 31, 2004, and have issued our report thereon dated April 18, 2006, wherein we noted the District followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 District's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the District'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 matter that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2005-001. In a separate letter to the District's management dated April 18, 2006, we reported other matters related to noncompliance we deemed immaterial.

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Washington Township Regional Park District
Lucas County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of management and the Board of Commissioners.
It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

April 18, 2006

WASHINGTON TOWNSHIP REGIONAL PARK DISTRICT
LUCAS COUNTY

SCHEDULE OF FINDINGS
JUNE 3, 2005 AND DECEMBER 31, 2004

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

FINDING NUMBER 2005-001

Noncompliance Citation

Ohio Revised Code § 5705.41(D)(1) states that no subdivision shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Further, contracts and orders for expenditures lacking prior certification shall be null and void.

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.

- A. "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 Park District can authorize the drawing of a warrant for the payment of the amount due. The Park District 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 Park District.

- B. 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.
- C. Super Blanket Certificate** – The Park District 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.

None of the transactions tested had prior certification nor was a then and now certificate utilized. Certification is not only required by Ohio law but is a key control in the disbursement process to assure that purchase commitments receive prior approval, and to help reduce the possibility of Park District funds being over expended or exceeding budgetary spending limitations as set by the Park Board.

To improve controls over disbursements, it is recommended that all Park District disbursements receive prior certification of the fiscal officer. When that is not possible, a Then and Now Certificate should be executed.

**WASHINGTON TOWNSHIP REGIONAL PARK DISTRICT
LUCAS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 3, 2005**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2003-001	Revised Code 5705.41(D)(1), failure to certify funds.	Not corrected	Repeated as finding 2005-001
2003-002	Revised Code 5705.41(B), expenditures exceeding appropriations during the fiscal year.	Yes	N/A



**Auditor of State
Betty Montgomery**

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WASHINGTON TOWNSHIP REGIONAL PARK DISTRICT

LUCAS COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 11, 2006**