

**WASHINGTON TOWNSHIP  
MONROE COUNTY  
Regular Audit  
December 31, 2009 and 2008**

***Perry & Associates***  
Certified Public Accountants, A.C.





# Mary Taylor, CPA

Auditor of State

Board of Trustees  
Washington Township  
39111 Church Road  
Graysville, Ohio 43734

We have reviewed the *Independent Accountants' Report* of Washington Township, Monroe County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2008 through December 31, 2009. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

June 21, 2010

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**WASHINGTON TOWNSHIP  
MONROE COUNTY**

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**INDEPENDENT ACCOUNTANTS' REPORT**

May 17, 2010

Washington Township  
Monroe County  
39111 Church Road  
Graysville, Ohio 43734

To the Board of Trustees:

We have audited the accompanying financial statements of **Washington Township, Monroe County, Ohio**, (the Township) as of and for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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 1B, the Township 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.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Township's larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of the State permits, but does not require Townships to reformat their statements. The Township has elected not to follow GAAP statement formatting requirements. 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 years ended December 31, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2009 and 2008 or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserve for encumbrances of Washington Township, Monroe County, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1B describes.

The Township 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 May 17, 2010, 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.

Respectfully Submitted,



**Perry and Associates**  
Certified Public Accountants, A.C.

**WASHINGTON TOWNSHIP  
MONROE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$ 20,540	\$ 6,732	\$ -	\$ 27,272
Intergovernmental	12,631	141,088	-	153,719
Earnings on Investments	48	83	-	131
Miscellaneous	1,714	19	-	1,733
	<u>34,933</u>	<u>147,922</u>	<u>-</u>	<u>182,855</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	22,041	1,075	-	23,116
Public Safety	-	4,943	-	4,943
Public Works	24,769	88,217	-	112,986
Miscellaneous	-	7,568	-	7,568
Capital Outlay	-	91,542	-	91,542
	<u>46,810</u>	<u>193,345</u>	<u>-</u>	<u>240,155</u>
Total Cash Receipts Over/(Under) Disbursements	<u>(11,877)</u>	<u>(45,423)</u>	<u>-</u>	<u>(57,300)</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Sale of Bonds	-	38,000	-	38,000
Transfers-In	58	-	-	58
Transfers-Out	-	-	(58)	(58)
	<u>58</u>	<u>38,000</u>	<u>(58)</u>	<u>38,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(11,819)	(7,423)	(58)	(19,300)
Fund Cash Balances, January 1	<u>17,900</u>	<u>67,447</u>	<u>58</u>	<u>85,405</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$ 6,081</b></u>	<u><b>\$ 60,024</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 66,105</b></u>
Reserve for Encumbrances, December 31	<u>\$ 44</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44</u>

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



**WASHINGTON TOWNSHIP  
MONROE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$ 24,700	\$ 6,968	\$ -	\$ 31,668
Intergovernmental	19,223	94,628	-	113,851
Earnings on Investments	63	201	-	264
Miscellaneous	398	97	-	495
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	44,384	101,894	-	146,278
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>				
Current:				
General Government	21,743	1,477	-	23,220
Public Safety	-	5,730	-	5,730
Public Works	14,542	110,792	-	125,334
Debt Service:				
Redemption of Principal	-	-	1,421	1,421
Interest and Fiscal Charges	-	-	32	32
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	36,285	117,999	1,453	155,737
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Disbursements	8,099	(16,105)	(1,453)	(9,459)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	9,801	83,552	1,511	94,864
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 17,900</u></b>	<b><u>\$ 67,447</u></b>	<b><u>\$ 58</u></b>	<b><u>\$ 85,405</u></b>

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

**WASHINGTON TOWNSHIP  
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Washington Township, Monroe County (the Township), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly elected three-member Board of Trustees and a publicly elected Fiscal Officer direct the Township. The Township provides general governmental services, including road and bridge maintenance (public works), fire protection (public safety), and emergency medical services. The Township contracts with Graysville Volunteer Fire Department to provide fire and emergency services.

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

**B. Accounting Basis**

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. Deposits**

The Township Fiscal Officer invests all available funds of the Township in an interest-bearing checking account.

**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:

**1. General Fund**

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

**WASHINGTON TOWNSHIP  
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

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

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds**

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Township has the following significant Special Revenue Funds:

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

Miscellaneous Special Revenue Fund – This fund receives money from federal CDBG grants for special projects.

**3. Debt Service Fund**

This fund is used to accumulate resources for the payment of note indebtedness. The Township has the following Debt Service Fund:

Bond Note Retirement Fund – This fund receives tax monies and transfers from the General Fund for the repayment of bonds issued to the Township.

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. 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.

**WASHINGTON TOWNSHIP  
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

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

**E. Budgetary Process (Continued)**

**3. Encumbrances**

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

A summary of 2009 and 2008 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.

**2. EQUITY IN POOLED DEPOSITS**

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

	2009	2008
Demand Deposits	\$ 66,105	\$ 85,405

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2009 and 2008 follows:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 36,628	\$ 34,991	\$ (1,637)
Special Revenue	108,114	185,922	77,808
Total	\$ 144,742	\$ 220,913	\$ 76,171

**WASHINGTON TOWNSHIP  
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 54,528	\$ 46,854	\$ 7,674
Special Revenue	167,493	193,345	(25,852)
Debt Service	557	58	499
Total	<u>\$ 222,578</u>	<u>\$ 240,257</u>	<u>\$ (17,679)</u>

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 36,998	\$ 44,384	\$ 7,386
Special Revenue	106,722	101,894	(4,828)
Debt Service	1,289	-	(1,289)
Total	<u>\$ 145,009</u>	<u>\$ 146,278</u>	<u>\$ 1,269</u>

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 46,799	\$ 36,285	\$ 10,514
Special Revenue	190,273	117,999	72,274
Debt Service	2,800	1,453	1,347
Total	<u>\$ 239,872</u>	<u>\$ 155,737</u>	<u>\$ 84,135</u>

**4. DEBT**

Debt outstanding at December 31, 2009 was as follows:

Name	Description	Principal Outstanding 12/31/07	Add	Deductions	Principal Outstanding 12/31/08	Add	Deductions	Principal Outstanding 12/31/09
Citizens National Bank	Purchase of Dump Truck	\$ 1,421	\$-	\$ 1,421	\$ -	\$ -	\$ -	\$ -
USDA	Purchase of Backhoe	-	-	-	-	38,000	\$ -	38,000
Total		\$ 1,421	\$-	\$ 1,421	\$ -	\$38,000	\$ -	\$ 38,000

The General Obligation Note was issued in 2004 to finance the purchase of a dump truck. The note was issued for \$10,500 at an interest rate of 4.22% with payments of \$1,421 made semi-annually. The full faith and credit of the Township has been pledged to repay this debt. The note was paid off in full in 2008.

**WASHINGTON TOWNSHIP  
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**4. DEBT (Continued)**

The USDA Bonds were issued in 2009 to finance the purchase of a backhoe. The bonds were issued for \$38,000 at an interest rate of 4.375% with yearly installment payments.

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

<u>Year ending December 31:</u>	<u>USDA Bonds</u>
2010	\$ 4,762
2011	4,827
2012	4,682
2013	4,838
2014	4,781
2015-2019	<u>23,844</u>
Total	<u>\$ 47,734</u>

**5. PROPERTY TAX**

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

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.

**WASHINGTON TOWNSHIP  
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**6. RETIREMENT SYSTEMS**

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2009 and 2008, members of PERS contributed 10% of their gross salaries. The Township contributed an amount equal to 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2009.

**7. RISK MANAGEMENT**

**Risk Pool Membership**

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. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of OTARMA and provides underwriting, claims, loss control, risk management, and reinsurance services for OTARMA. OTARMA is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. 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 and Property Coverage**

APEEP provides OTARMA with an excess risk-sharing program. Under this arrangement, OTARMA retains insured risks up to an amount specified in the contracts. At December 31, 2008, OTARMA retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does 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.

**WASHINGTON TOWNSHIP  
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**7. RISK MANAGEMENT (Continued)**

**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, 2008 and 2007 (the latest information available):

	<u>2008</u>	<u>2007</u>
Assets	\$40,737,740	\$43,210,703
Liabilities	<u>(12,981,818)</u>	<u>(13,357,837)</u>
Net Assets	<u>\$27,755,922</u>	<u>\$29,852,866</u>

At December 31, 2008 and 2007, respectively, liabilities above include approximately \$12.1 and \$12.5 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$10.9 and \$11.6 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2008 and 2007, 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 \$2,643.

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. 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.

**8. TRANSFERS**

The Township transferred \$58 from the General Bond Retirement Fund to the General Fund in 2009 to move excess money remaining in the Debt Service Fund after the payoff of the dump truck. This transfer was determined to be appropriate and in compliance with Ohio Revised Code Section 5705.14.



***Perry & Associates***  
Certified Public Accountants, A.C.

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

May 17, 2010

Washington Township  
Monroe County  
39111 Church Road  
Graysville, Ohio 43734

To the Board of Trustees:

We have audited the financial statements of **Washington Township, Monroe County**, (the Township) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated May 17, 2010, wherein we noted the Township 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 Township's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting that we consider a material weakness and another deficiency we consider to be a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2009-001 described in the accompanying schedule of findings to be a material weakness.

**Internal Control Over Financial Reporting (Continued)**

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2009-002 described in the accompanying schedule of findings to be a significant deficiency.

**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 no instances of noncompliance or other matters that we must report under *Government Auditing Standard*.

We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated May 17, 2010.

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

Respectfully Submitted,



**Perry and Associates**  
Certified Public Accountants, A.C.

**WASHINGTON TOWNSHIP  
MONROE COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
DECEMBER 31, 2009 AND 2008**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2009-001**

**Material Weakness**

**Posting Receipts and Expenditures**

Receipts and Expenditures should be posted to the fund and line item accounts as established by Ohio Administrative Code Section 117-7-01.

During 2009 and 2008, several receipts and expenditures were not posted into accurate classifications based on the source of the receipt or expenditure. The following posting errors were noted:

- USDA grant money and bond proceeds were recorded as miscellaneous in the Debt Service Fund instead of intergovernmental and bond proceeds in the Road and Bridge Fund in 2009.
- Rollbacks, utility reimbursements, and national forest receipts were recorded as taxes instead of intergovernmental in both 2008 and 2009.
- The purchase of a backhoe was recorded as principal payments in the Debt Service Fund instead of capital outlay in the Road Bridge Fund in 2009.
- Transfer amounts were recorded at incorrect amounts in 2009.

Not posting revenues and expenditures accurately resulted in the financial statements requiring several reclassifications and fund adjustments. The financial statements reflect all reclassifications and fund adjustments.

**Management's Response** – We did not receive a response to this finding from management.

**FINDING NUMBER 2009-002**

**Significant Deficiency**

**Property Tax Receipts**

The Township does not have a process in place to ensure all recurring revenues are received and recorded in a timely manner. We noted a payment for real estate taxes during the two year period that has not been recorded in the Township's books. This check is from the county and is voucher #12017 for \$6,488.51 dated 8/7/09.

We recommend the Township Fiscal Officer contact the county to determine if this check is still outstanding and if so, can it be reissued.

**Management's Response** – We did not receive a response to this finding from management.

**WASHINGTON TOWNSHIP  
MONROE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2007-001	ORC Section 5705.39 – Appropriations exceeded estimated resources	Yes	N/A



**Mary Taylor, CPA**  
Auditor of State

**WASHINGTON TOWNSHIP**

**MONROE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 1, 2010**