



**WASHINGTON TOWNSHIP
LUCAS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

WASHINGTON TOWNSHIP
LUCAS COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Washington Township
Lucas County
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Toledo, Ohio 43611-0133

To the Board of Trustees:

We have audited the accompanying financial statements of Washington Township, Lucas County, Ohio, (the Township) 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our 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 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 combined fund cash balances of the Township 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 June 25, 2001, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

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

Jim Petro
Auditor of State

June 25, 2001

**WASHINGTON TOWNSHIP
LUCAS COUNTY**

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

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Local Taxes	\$32,782	\$478,672			\$511,454
Intergovernmental	65,558	127,534		\$160,964	354,056
Special Assessments		22,946			22,946
Licenses, Permits, and Fees	1,830				1,830
Fines, Forfeitures, and Penalties	7,262	1,955			9,217
Earnings on Investments	46,247	4,110			50,357
Other Revenue	9,726	12,040			21,766
	<u>163,405</u>	<u>647,257</u>		<u>160,964</u>	<u>971,626</u>
Cash Disbursements:					
Current:					
General Government	114,508				114,508
Public Safety		445,414		59,729	505,143
Public Works	1,963	209,600			211,563
Health	8,702				8,702
Capital Outlay	11,618	9,973		160,964	182,555
	<u>136,791</u>	<u>664,987</u>		<u>220,693</u>	<u>1,022,471</u>
Total Cash Disbursements	<u>136,791</u>	<u>664,987</u>		<u>220,693</u>	<u>1,022,471</u>
Total Receipts Over/(Under) Disbursements	<u>26,614</u>	<u>(17,730)</u>		<u>(59,729)</u>	<u>(50,845)</u>
Other Financing Receipts/(Disbursements):					
Sale of Fixed Assets				3,957	3,957
Transfers-In		40,000		65,000	105,000
Advances-In		20,000			20,000
Transfers-Out	(105,000)				(105,000)
Advances-Out	(20,000)				(20,000)
Other Sources	17,010				17,010
	<u>(107,990)</u>	<u>60,000</u>		<u>68,957</u>	<u>20,967</u>
Total Other Financing Receipts/(Disbursements)	<u>(107,990)</u>	<u>60,000</u>		<u>68,957</u>	<u>20,967</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(81,376)	42,270		9,228	(29,878)
Fund Cash Balances, January 1	<u>268,744</u>	<u>629,094</u>	<u>\$2,461</u>		<u>900,299</u>
Fund Cash Balances, December 31	<u>\$187,368</u>	<u>\$671,364</u>	<u>\$2,461</u>	<u>\$9,228</u>	<u>\$870,421</u>

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

**WASHINGTON TOWNSHIP
LUCAS COUNTY**

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

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$32,536	\$470,060		\$502,596
Intergovernmental	59,822	169,013		228,835
Special Assessments		23,706		23,706
Licenses, Permits, and Fees	2,145			2,145
Fines, Forfeitures, and Penalties	11,961	305		12,266
Earnings on Investments	36,583	1,203		37,786
Other Revenue	9,013	10,347		19,360
	<u>152,060</u>	<u>674,634</u>		<u>826,694</u>
Total Cash Receipts				
	<u>152,060</u>	<u>674,634</u>		<u>826,694</u>
Cash Disbursements:				
Current:				
General Government	89,671			89,671
Public Safety	804	378,217		379,021
Public Works	593	123,270		123,863
Health	9,484			9,484
Capital Outlay	86	117,252		117,338
	<u>100,638</u>	<u>618,739</u>		<u>719,377</u>
Total Cash Disbursements				
	<u>100,638</u>	<u>618,739</u>		<u>719,377</u>
Total Receipts Over/(Under) Disbursements	<u>51,422</u>	<u>55,895</u>		<u>107,317</u>
Other Financing Receipts/(Disbursements):				
Transfers-In		73,040		73,040
Advances-In	20,000	20,000		40,000
Transfers-Out	(73,040)			(73,040)
Advances-Out	(20,000)	(20,000)		(40,000)
Other Sources	484			484
	<u>(72,556)</u>	<u>73,040</u>		<u>484</u>
Total Other Financing Receipts/(Disbursements)				
	<u>(72,556)</u>	<u>73,040</u>		<u>484</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(21,134)	128,935		107,801
Fund Cash Balances, January 1	<u>289,878</u>	<u>500,159</u>	<u>\$2,461</u>	<u>792,498</u>
Fund Cash Balances, December 31	<u>\$268,744</u>	<u>\$629,094</u>	<u>\$2,461</u>	<u>\$900,299</u>

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

**WASHINGTON TOWNSHIP
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

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.

2. 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:

Police Fund - This fund receives special levy monies for operation of the Township police department.

**WASHINGTON TOWNSHIP
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

Fire Fund - This fund receives special levy monies for operation of the Township fire department.

3. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Township had the following significant capital project funds:

State Issue II Fund - The Township received a grant from the State of Ohio for its 2000 Road Project contract.

Permanent Improvement Fund - This fund received a transfer from the General Fund for major renovations to the Township's fire station.

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 or 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. Appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

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

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.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

**WASHINGTON TOWNSHIP
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

	<u>2000</u>	<u>1999</u>
Demand deposits	\$121,023	\$211,257
STAR Ohio	<u>749,398</u>	<u>689,042</u>
Total deposits and investments	<u><u>\$870,421</u></u>	<u><u>\$900,299</u></u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$144,590	\$180,415	\$35,825
Special Revenue	670,900	687,257	16,357
Capital Projects	<u>278,000</u>	<u>229,921</u>	<u>(48,079)</u>
Total	<u><u>\$1,093,490</u></u>	<u><u>\$1,097,593</u></u>	<u><u>\$4,103</u></u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$302,850	\$241,791	\$61,059
Special Revenue	1,059,610	664,987	394,623
Debt Service	2,461	2,461	-
Capital Projects	<u>278,000</u>	<u>220,693</u>	<u>57,307</u>
Total	<u><u>\$1,642,921</u></u>	<u><u>\$1,127,471</u></u>	<u><u>\$515,450</u></u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$129,735	\$152,544	\$22,809
Special Revenue	<u>710,690</u>	<u>747,674</u>	<u>36,984</u>
Total	<u><u>\$840,425</u></u>	<u><u>\$900,218</u></u>	<u><u>\$59,793</u></u>

**WASHINGTON TOWNSHIP
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$263,901	\$173,678	\$90,223
Special Revenue	1,024,700	618,739	405,961
Debt Service	2,461		2,461
Total	\$1,291,062	\$792,417	\$498,645

4. 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 payments, the first half is due December 31. The second half payment is due the following June 20.

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

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

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

5. RETIREMENT SYSTEMS

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement 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% and 10.84% of participants' gross salaries for 1999 and 2000, respectively. The Township has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The Government belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association with over 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

**WASHINGTON TOWNSHIP
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

Pursuant to § 2744.081 of the Ohio Revised Code, the Plan is deemed 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 uses conventional insurance coverages and reinsures these coverages 100%, rather than using a risk pool of member funds to pay individual and collective losses. Therefore, the individual members are only responsible for their self-retention (deductible) amounts which vary from member to member.

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

Washington Township
Lucas County
5417 Blessing Drive
P.O. Box 5133
Toledo, Ohio 43611-0133

To the Board of Trustees:

We have audited the accompanying financial statements of Washington Township, Lucas County, Ohio, (the Township) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 25, 2001. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Township in a separate letter dated June 25, 2001.

Internal Control Over Financial Reporting

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

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

Jim Petro
Auditor of State

June 25, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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WASHINGTON TOWNSHIP

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
AUGUST 2, 2001**