

**WASHINGTON TOWNSHIP**

MIAMI COUNTY

**REGULAR AUDIT**

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006





Mary Taylor, CPA  
Auditor of State

Board of Trustees  
Washington Township  
520 S. College Street  
Piqua, Ohio 45356

We have reviewed the *Independent Accountants' Report* of Washington Township, Miami County, prepared by Manning & Associates CPAs, LLC, for the audit period January 1, 2006 through December 31, 2007. 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.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

November 19, 2008

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**WASHINGTON TOWNSHIP  
MIAMI COUNTY**

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**MANNING & ASSOCIATES CPAS, LLC**  
**6105 NORTH DIXIE DRIVE**  
**DAYTON, OHIO 45414**

**INDEPENDENT ACCOUNTANTS' REPORT**

Washington Township  
Miami County  
520 S. College Street  
Piqua, Ohio 45356

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund and aggregate remaining fund information of Washington Township, Miami County, Ohio, (the Township), as of and for the years ended December 31, 2007 and 2006, which collectively comprised the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express 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 that our audit provides a reasonable basis for our opinions.

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

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



In accordance with *Government Auditing Standards*, we have also issued a report dated September 11, 2008, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

Manning & Associates CPAs, LLC  
Dayton, Ohio

September 11, 2008

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

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

**Highlights**

Key highlights for 2007 are as follows:

Net assets of governmental activities increased \$86,378, or 20 percent, a significant change from the prior year. The fund most affected by the increase in cash and cash equivalents was the General Fund. A significant increase in estate taxes, EMS receipts, and interest received in 2007 are responsible for the increase in the General fund.

The Township's general receipts in 2007 were primarily property taxes and local government distributions. Property tax receipts for 2007 changed very little compared to 2006. These receipts represent \$64,271 or 20 percent of total cash received for governmental activities during the year.

EMS fees changed significantly again this year, but the change was an increase rather than the decrease we experienced last year. This was due to the Township receiving a portion of 2006 EMS collections in 2007.

The Gasoline Tax Fund saw the greatest increase in costs in 2007. Road resurfacing accounted the increase.

Key highlights for 2006 are as follows:

Net assets of governmental activities increased \$48,717 or 13 percent, a significant change from the prior year. The funds most affected by the increase in cash and cash equivalents were the Gasoline Tax and Road and Bridge Funds. The General Fund realized the greatest burden of increased costs in 2006 and was the only fund which suffered a decrease in cash from the previous year, a decrease of 24 percent.

The Township's general receipts in 2006 were primarily property taxes and local government distributions. Property tax receipts for 2006 changed very little compared to 2005. These receipts represent \$63,250 or 20 percent of total cash received for governmental activities during the year.

Revenue received from EMS fees changed significantly this year as the billing and collection process has been taken over by the City of Piqua. HealthServe had been the collection agency for many years.

**Washington Township**  
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*Management's Discussion and Analysis*  
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*Unaudited*

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**Using the Basic Financial Statements**

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

**Report Components**

The Statement of Net Assets and the Statement of Activities provide information about the activities of the Township as a whole.

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

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

**Basis of Accounting**

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

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

**Reporting the Township as a Whole**

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

**Washington Township**  
**Miami County**  
*Management's Discussion and Analysis*  
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*Unaudited*

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**Reporting the Township as a Whole** (continued)

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

In the Statement of Net Assets and the Statement of Activities, the Township has one- type of activity:

*Governmental Activities* - The Township's basic services are reported here, including general governmental services, emergency rescue services, fire protection, and road maintenance. State and federal grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

**Reporting the Township's Most Significant Funds**

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

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

**Washington Township**  
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*Management's Discussion and Analysis*  
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**The Township as a Whole**

Table 1 provides a summary of the Township's net assets for 2007, 2006, and 2005 on a cash basis:

(Table 1)

**Net Assets**

	Governmental Activities		
	2007	2006	2005
<b>Assets</b>			
Equity in Pooled Cash and Equivalents	\$513,738	\$427,360	\$378,643
Total Assets	\$513,738	\$427,360	\$378,643
<b>Net Assets</b>			
Restricted for:			
Other Purposes	332,553	279,777	184,630
Unrestricted	181,185	147,583	194,013
Total Net Assets	\$513,738	\$427,360	\$378,643

As mentioned previously, the balance in the General Fund increased 20 percent in 2007 largely due to the following:

- Significant increase in estate taxes received.
- Significant increase in the recoup of EMS fees.

Additionally, during 2006 the balance in the General Fund decreased significantly, 24 percent. The primary reasons contributing to the decrease in the General Fund are as follows:

- Health insurance premiums rose during 2006.
- Receipts to the general fund did not keep pace with expenses forcing a withdrawal of funds from our investment account to meet monthly expenses.
- Increases in salaries and increases in the OPERS percentage paid by township.
- Receipts for fees and inheritance tax did not keep pace with previous years.

**Washington Township**  
**Miami County**  
*Management's Discussion and Analysis*  
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**The Township as a Whole** (continued)

Table 2 reflects the changes in net assets in 2007, 2006, and 2005 for governmental activities.  
 (Table 2)

**Changes in Net Assets**

	Governmental Activities		
	2007	2006	2005
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$ 36,774	\$ 12,531	\$ 21,596
Operating Grants and Contributions	96,716	94,058	84,882
Total Program Receipts	<u>133,490</u>	<u>106,589</u>	<u>106,478</u>
General Receipts:			
Property and Other Local Taxes	64,271	63,250	62,468
Grants and Entitlements Not Restricted to Specific Programs	112,640	62,713	79,032
Earnings on Investments	22,993	19,589	12,481
Note Proceeds	0	62,672	0
Miscellaneous	0	0	5,504
Total General Receipts	<u>199,904</u>	<u>208,224</u>	<u>159,485</u>
Total Receipts	<u>333,394</u>	<u>314,813</u>	<u>265,963</u>
Disbursements:			
General Government	74,257	87,107	77,838
Public Safety	77,835	71,022	78,000
Public works	30,212	20,220	118,612
Health	9,591	8,166	8,075
Capital Outlay	38,212	62,672	0
Principal Retirement	14,470	16,909	0
Interest and Fiscal Charges	2,439	0	0
Total Disbursements	<u>247,016</u>	<u>266,096</u>	<u>282,525</u>
Change in Net Assets	86,378	48,717	(16,562)
Net Assets, January 1	<u>427,360</u>	<u>378,643</u>	<u>395,205</u>
Net Assets, December 31	<u>\$ 513,738</u>	<u>\$ 427,360</u>	<u>\$ 378,643</u>

**Washington Township**  
**Miami County**  
*Management's Discussion and Analysis*  
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**The Township as a Whole** (continued)

Program receipts represent only 40 percent and 42 percent of total receipts for 2007 and 2006, respectively and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

General receipts represent 60 percent and 66 percent of the Township's total receipts for 2007 and 2006, respectively and of this amount, over 32 percent and 30 percent are local taxes and 56 percent and 30 percent are state and federal grants and entitlements, for 2007 and 2006 respectively. Interest income makes up the balance of the Township's general receipts of 12 percent and 9 percent, respectively for 2007 and 2006. Other receipts are relatively insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Township activities. Since these costs do not represent direct services to residents, we try to control these costs which are 30 percent and 32 percent for years 2007 and 2006 respectively.

Disbursements for Public Safety, Public Works and Health Services represent the costs for providing emergency rescue services, contracted fire protection, and the costs of maintaining public roads located within the Township. The cost for these services was 48 percent and 37 percent for the years 2007 and 2006 respectively.

**Governmental Activities**

If you look at the Statement of Activities you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for Public Safety, which account for 32 percent and 37 percent, and Public Works, which account for 12 percent and 8 percent of all governmental disbursements, for 2007 and 2006, respectively. General government also represents significant costs, which account for 30 percent and 32 percent of all government disbursements, for 2007 and 2006, respectively. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Township that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.



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

**The Township as a Whole** (continued)

(Table 3)

	Governmental Activities					
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2007</u>	<u>2007</u>	<u>2006</u>	<u>2006</u>	<u>2005</u>	<u>2005</u>
General Government	\$74,257	\$74,257	\$87,107	\$87,107	\$77,838	\$77,838
Public safety	77,835	77,835	71,022	71,022	78,000	78,000
Public Works	30,212	(66,504)	20,220	(73,838)	118,612	33,730
Health	9,591	(27,183)	8,166	(4,365)	8,075	(13,521)
Capital Outlay	38,212	38,212	62,672	62,672		
Debt Service:						
Principal Redemption	14,470	14,470	16,909	16,909	0	0
Interest and Fiscal Charges	2,439	2,439	0	0	0	0
<b>Total Expenses</b>	<b><u>\$247,016</u></b>	<b><u>\$113,526</u></b>	<b><u>\$266,096</u></b>	<b><u>\$159,507</u></b>	<b><u>\$282,525</u></b>	<b><u>\$176,047</u></b>

The dependence upon property tax receipts is apparent in 2007 and 2006 as 50 percent and 48 percent, respectively, of governmental activities are supported through these general receipts.

**The Township's Funds**

Total governmental funds had receipts of \$333,394 and \$314,813 and disbursements of \$247,016 and \$266,096, for 2007 and 2006 respectively. The greatest change within governmental funds occurred within the General Fund both years. In 2007, the fund balance of the General Fund increased \$33,602 as a result of an increase in earnings on investments, estate taxes, and EMS receipts. In 2006, the fund balance of the General Fund decreased \$46,430 as a result of increased costs for salaries and benefits and decreased revenues from fees and the inheritance tax.

**General Fund Budgeting Highlights**

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted funds are the General Fund, Gasoline Tax Fund, and the Road and Bridge Fund.

For 2007 actual receipts of \$333,394 were over the budgeted amount of \$217,203 and for 2006 actual receipts of \$252,141 were over the budgeted amount of \$220,471 due to the changes in estate tax receipts, interest rates, and billings for emergency rescue services for both years.

Disbursements for 2007 were appropriated at \$424,000 while actual disbursements were \$247,016. Disbursements for 2006 were appropriated at \$430,500 while actual disbursements were \$266,096. The Township appropriates all available revenues but spends conservatively. The Township keeps a close monitoring on all disbursements to prevent having to request additional funds from taxpayers.

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

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**Capital Assets and Debt Administration**

**Capital Assets**

The Township does not record capital assets in the accompanying cash basis basic financial statements, but records payments for capital assets as disbursements. The Township tracks its capital assets utilizing an excel spreadsheet which is then used for end reporting and insurance purposes. This inventory listing was last updated in 2006.

**Debt**

In 2006, the Township entered into an agreement with Daimler Chrysler Finance to purchase a 2005 Dump Truck. The Township financed \$62,672 at 5.33% interest to be repaid in yearly installments of \$16,909 through 2009. At December 31, 2007, the Township had outstanding debt of \$31,293. All necessary payments have been made as of December 31, 2007.

**Current Issues**

The challenge for all Governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base. The Township continues to operate as efficiently as possible while meeting the needs of the residents.

**Contacting the Government's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Government's finances and to reflect the Government's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Mikel R. Brown, Fiscal Officer, P.O. Box 232, Piqua, Ohio 44456.

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**Washington Township**  
**Miami County**  
*Statement of Net Assets - Cash Basis*  
*For the Year Ended December 31, 2007*

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	Governmental Activities	Total
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$ 513,738	\$ 513,738
<i>Total Assets</i>	<u>\$ 513,738</u>	<u>\$ 513,738</u>
 <b>Net Assets</b>		
Restricted For:		
Other Purposes	\$ 332,553	\$ 332,553
Unrestricted	<u>181,185</u>	<u>181,185</u>
<i>Total Net Assets</i>	<u>\$ 513,738</u>	<u>\$ 513,738</u>

See accompanying notes to the basic financial statements

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

	<u>Cash</u>	<u>Program Cash Receipts</u>		<u>Net (Disbursements)</u>
	<u>Disbursements</u>	<u>Charges</u>	<u>Operating</u>	<u>Receipts and Changes</u>
		<u>for Services</u>	<u>Grants and</u>	<u>in Net Assets</u>
		<u>and Sales</u>	<u>Contributions</u>	<u>Governmental</u>
				<u>Activities</u>
<b>Governmental Activities</b>				
General Government	\$ 74,257	\$ 0	\$ 0	\$ (74,257)
Public Safety	77,835	0	0	(77,835)
Public Works	30,212	0	96,716	66,504
Health	9,591	36,774	0	27,183
Capital Outlay	38,212	0	0	(38,212)
Debt Service:				
Principal Retirement	14,470	0	0	(14,470)
Interest and Fiscal Charges	2,439	0	0	(2,439)
<i>Total Governmental Activities</i>	<u>\$ 247,016</u>	<u>\$ 36,774</u>	<u>\$ 96,716</u>	<u>\$ (113,526)</u>
 <b>General Receipts</b>				
Property Taxes			\$	57,263
Other Taxes				7,008
Grants and Entitlements not Restricted to Specific Programs				112,640
Earnings on Investment				<u>22,993</u>
<i>Total General Receipts</i>				199,904
Change in Net Assets				86,378
<i>Net Assets Beginning of Year</i>				<u>427,360</u>
<i>Net Assets End of Year</i>			\$	<u><u>513,738</u></u>

See accompanying notes to the basic financial statements

**Washington Township**  
**Miami County**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2007*

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	General	Gasoline Tax	Road and Bridge	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 181,185	\$ 188,034	\$ 95,737	\$ 48,782	\$ 513,738
<i>Total Assets</i>	<u>\$ 181,185</u>	<u>\$ 188,034</u>	<u>\$ 95,737</u>	<u>\$ 48,782</u>	<u>\$ 513,738</u>
<b>Fund Balances</b>					
Unreserved:					
General Fund	\$ 181,185	\$ 0	\$ 0	\$ 0	\$ 181,185
Special Revenue Funds	<u>0</u>	<u>188,034</u>	<u>95,737</u>	<u>48,782</u>	<u>332,553</u>
<i>Total Fund Balances</i>	<u>\$ 181,185</u>	<u>\$ 188,034</u>	<u>\$ 95,737</u>	<u>\$ 48,782</u>	<u>\$ 513,738</u>

See accompanying notes to the basic financial statements

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

	<u>General</u>	<u>Gasoline Tax</u>	<u>Road &amp; Bridge</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Receipts</b>					
Property and Other Local Taxes	\$ 28,758	\$ 0	\$ 28,505	\$ 0	\$ 57,263
Licenses, Permits and Fees	36,774	0	0	0	36,774
Intergovernmental	116,510	88,979	3,139	7,736	216,364
Earnings on Investments	13,243	8,657	0	1,093	22,993
<i>Total Receipts</i>	<u>\$ 195,285</u>	<u>\$ 97,636</u>	<u>\$ 31,644</u>	<u>\$ 8,829</u>	<u>\$ 333,394</u>
<b>Disbursements</b>					
Current:					
General Government	\$ 74,257	\$ 0	\$ 0	\$ 0	\$ 74,257
Public Safety	77,835	0	0	0	77,835
Public Works	0	13,724	16,245	243	30,212
Health	9,591	0	0	0	9,591
Capital Outlay	0	38,212	0	0	38,212
Debt Service:					
Principal Retirement	0	14,470	0	0	14,470
Interest and Fiscal Charges	0	2,439	0	0	2,439
<i>Total Disbursements</i>	<u>\$ 161,683</u>	<u>\$ 68,845</u>	<u>\$ 16,245</u>	<u>\$ 243</u>	<u>\$ 247,016</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>33,602</u>	<u>28,791</u>	<u>15,399</u>	<u>8,586</u>	<u>86,378</u>
<i>Net Change in Fund Balances</i>	33,602	28,791	15,399	8,586	86,378
<i>Fund Balances Beginning of Year</i>	<u>147,583</u>	<u>159,243</u>	<u>80,338</u>	<u>40,196</u>	<u>427,360</u>
<i>Fund Balances End of Year</i>	<u>\$ 181,185</u>	<u>\$ 188,034</u>	<u>\$ 95,737</u>	<u>\$ 48,782</u>	<u>\$ 513,738</u>

See accompanying notes to the basic financial statements

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 27,875	\$ 27,875	\$ 28,758	\$ 883
Licenses, Permits and Fees	5,314	4,957	36,774	31,817
Intergovernmental	68,480	64,034	116,510	52,476
Earnings on Investments	5,468	5,100	13,243	8,143
Other	676	631	0	(631)
<i>Total Receipts</i>	<u>\$ 107,813</u>	<u>\$ 102,597</u>	<u>\$ 195,285</u>	<u>\$ 92,688</u>
<b>Disbursements</b>				
Current:				
General Government	\$ 101,650	\$ 101,650	\$ 74,257	\$ 27,393
Public Safety	75,000	85,000	77,835	7,165
Public Works	4,100	4,100	0	4,100
Health	10,500	10,500	9,591	909
Capital Outlay	6,000	6,000	0	6,000
<i>Total Disbursements</i>	<u>\$ 197,250</u>	<u>\$ 207,250</u>	<u>\$ 161,683</u>	<u>\$ 45,567</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(89,437)</u>	<u>(104,653)</u>	<u>33,602</u>	<u>138,255</u>
Other Financing Sources (Uses)	(10,000)	(10,000)	0	10,000
<i>Net Change in Fund Balance</i>	(99,437)	(114,653)	33,602	148,255
<i>Fund Balance Beginning of Year</i>	<u>147,583</u>	<u>147,583</u>	<u>147,583</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 48,146</u>	<u>\$ 32,930</u>	<u>\$ 181,185</u>	<u>\$ 148,255</u>

See accompanying notes to the basic financial statements



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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Intergovernmental	\$ 69,696	\$ 69,696	\$ 88,979	\$ 19,283
Earnings on Investments	2,904	2,904	8,657	5,753
<i>Total Receipts</i>	<u>\$ 72,600</u>	<u>\$ 72,600</u>	<u>\$ 97,636</u>	<u>\$ 25,036</u>
<b>Disbursements</b>				
Current:				
Public Works	\$ 116,000	\$ 64,000	\$ 13,724	\$ 50,276
Capital Outlay	5,000	40,000	38,212	1,788
Debt Service:				
Principal Retirement	0	14,500	14,470	30
Interest and Other Fiscal Charges	0	2,500	2,439	61
<i>Total Disbursements</i>	<u>\$ 121,000</u>	<u>\$ 121,000</u>	<u>\$ 68,845</u>	<u>\$ 52,155</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(48,400)</u>	<u>(48,400)</u>	<u>28,791</u>	<u>77,191</u>
<i>Net Change in Fund Balance</i>	(48,400)	(48,400)	28,791	77,191
<i>Fund Balance Beginning of Year</i>	<u>159,243</u>	<u>159,243</u>	<u>159,243</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 110,843</u></u>	<u><u>\$ 110,843</u></u>	<u><u>\$ 188,034</u></u>	<u><u>\$ 77,191</u></u>

See accompanying notes to the basic financial statements

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

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$ 27,081	\$ 27,081	\$ 28,505	\$ 1,424
Intergovernmental	3,172	4,325	3,139	(1,186)
Miscellaneous	1,153	0	0	0
<i>Total Receipts</i>	<u>\$ 31,406</u>	<u>\$ 31,406</u>	<u>\$ 31,644</u>	<u>\$ 238</u>
<b>Disbursements</b>				
Current:				
Public Works	\$ 52,000	\$ 52,000	\$ 16,245	\$ 35,755
Capital Outlay	250	250	0	250
<i>Total Disbursements</i>	<u>\$ 52,250</u>	<u>\$ 52,250</u>	<u>\$ 16,245</u>	<u>\$ 36,005</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(20,844)</u>	<u>(20,844)</u>	<u>15,399</u>	<u>36,243</u>
<i>Net Change in Fund Balance</i>	(20,844)	(20,844)	15,399	36,243
<i>Fund Balance Beginning of Year</i>	<u>80,338</u>	<u>80,338</u>	<u>80,338</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 59,494</u></u>	<u><u>\$ 59,494</u></u>	<u><u>\$ 95,737</u></u>	<u><u>\$ 36,243</u></u>

See accompanying notes to the basic financial statements

**Washington Township**  
**Miami County**  
*Statement of Net Assets - Cash Basis*  
*For the Year Ended December 31, 2006*

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	Governmental Activities	Total
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$ 427,360	\$ 427,360
<i>Total Assets</i>	<u>\$ 427,360</u>	<u>\$ 427,360</u>
<b>Net Assets</b>		
Restricted For:		
Other Purposes	\$ 279,777	\$ 279,777
Unrestricted	<u>147,583</u>	<u>147,583</u>
<i>Total Net Assets</i>	<u>\$ 427,360</u>	<u>\$ 427,360</u>

See accompanying notes to the basic financial statements

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

	<u>Cash</u> <u>Disbursements</u>	<u>Program Cash Receipts</u> <u>Charges</u> <u>for Services</u> <u>and Sales</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Net (Disbursements)</u> <u>Receipts and Changes</u> <u>in Net Assets</u>  <u>Governmental</u> <u>Activities</u>
<b>Governmental Activities</b>				
General Government	\$ 87,107	\$ 0	\$ 0	\$ (87,107)
Public Safety	71,022	0	0	(71,022)
Public Works	20,220	0	94,058	73,838
Health	8,166	12,531	0	4,365
Capital Outlay	62,672	0	0	(62,672)
Debt Service:				
Principal Retirement	<u>16,909</u>	<u>0</u>	<u>0</u>	<u>(16,909)</u>
<i>Total Governmental Activities</i>	<u>\$ 266,096</u>	<u>\$ 12,531</u>	<u>\$ 94,058</u>	<u>\$ (159,507)</u>

**General Receipts**

Property Taxes	\$ 57,934
Other Taxes	5,316
Grants and Entitlements not Restricted to Specific Programs	62,713
Note Proceeds	62,672
Earnings on Investment	<u>19,589</u>
<i>Total General Receipts</i>	208,224
Change in Net Assets	48,717
<i>Net Assets Beginning of Year</i>	<u>378,643</u>
<i>Net Assets End of Year</i>	<u>\$ 427,360</u>

See accompanying notes to the basic financial statements

**Washington Township**  
**Miami County**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2006*

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	General	Gasoline Tax	Road and Bridge	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 147,583	\$ 159,243	\$ 80,338	\$ 40,196	\$ 427,360
<i>Total Assets</i>	<u>\$ 147,583</u>	<u>\$ 159,243</u>	<u>\$ 80,338</u>	<u>\$ 40,196</u>	<u>\$ 427,360</u>
<b>Fund Balances</b>					
Unreserved:					
General Fund	\$ 147,583	\$ 0	\$ 0	\$ 0	\$ 147,583
Special Revenue Funds	<u>0</u>	<u>159,243</u>	<u>80,338</u>	<u>40,196</u>	<u>279,777</u>
<i>Total Fund Balances</i>	<u>\$ 147,583</u>	<u>\$ 159,243</u>	<u>\$ 80,338</u>	<u>\$ 40,196</u>	<u>\$ 427,360</u>

See accompanying notes to the basic financial statements

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

	General	Gasoline Tax	Road and Bridge	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>					
Property and Other Local Taxes	\$ 29,049	\$ 0	\$ 28,885	\$ 0	\$ 57,934
Licenses, Permits and Fees	12,531	0	0	0	12,531
Intergovernmental	65,412	86,201	2,618	7,856	162,087
Earnings on Investments	12,873	5,897	0	819	19,589
<i>Total Receipts</i>	<u>\$ 119,865</u>	<u>\$ 92,098</u>	<u>\$ 31,503</u>	<u>\$ 8,675</u>	<u>\$ 252,141</u>
<b>Disbursements</b>					
Current:					
General Government	\$ 87,107	\$ 0	\$ 0	\$ 0	\$ 87,107
Public Safety	71,022	0	0	0	71,022
Public Works	0	8,213	11,231	776	20,220
Health	8,166	0	0	0	8,166
Capital Outlay	0	62,672	0	0	62,672
Debt Service:					
Principal Retirement	0	16,909	0	0	16,909
<i>Total Disbursements</i>	<u>\$ 166,295</u>	<u>\$ 87,794</u>	<u>\$ 11,231</u>	<u>\$ 776</u>	<u>\$ 266,096</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(46,430)</u>	<u>4,304</u>	<u>20,272</u>	<u>7,899</u>	<u>(13,955)</u>
<i>Other Financing Sources</i>					
Note Proceeds	0	62,672	0	0	62,672
<i>Total Other Financing Sources</i>	<u>0</u>	<u>62,672</u>	<u>0</u>	<u>0</u>	<u>62,672</u>
<i>Net Change in Fund Balances</i>	(46,430)	66,976	20,272	7,899	48,717
<i>Fund Balances Beginning of Year</i>	<u>194,013</u>	<u>92,267</u>	<u>60,066</u>	<u>32,297</u>	<u>378,643</u>
<i>Fund Balances End of Year</i>	<u>\$ 147,583</u>	<u>\$ 159,243</u>	<u>\$ 80,338</u>	<u>\$ 40,196</u>	<u>\$ 427,360</u>

See accompanying notes to the basic financial statements

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 28,257	\$ 28,257	\$ 29,049	\$ 792
Licenses, Permits and Fees	17,626	17,626	12,531	(5,095)
Intergovernmental	64,883	64,883	65,412	529
Earnings on Investments	3,885	3,885	12,873	8,988
Other	453	453	0	(453)
<i>Total Receipts</i>	<u>\$ 115,104</u>	<u>\$ 115,104</u>	<u>\$ 119,865</u>	<u>\$ 4,761</u>
<b>Disbursements</b>				
Current:				
General Government	\$ 101,400	\$ 101,400	\$ 87,107	\$ 14,293
Public Safety	95,000	95,000	71,022	23,978
Public Works	5,100	5,100	0	5,100
Health	11,000	11,000	8,166	2,834
Capital Outlay	6,000	6,000	0	6,000
<i>Total Disbursements</i>	<u>\$ 218,500</u>	<u>\$ 218,500</u>	<u>\$ 166,295</u>	<u>\$ 52,205</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(103,396)</u>	<u>(103,396)</u>	<u>(46,430)</u>	<u>56,966</u>
Other Financing Sources (Uses)	(10,000)	(10,000)	0	10,000
<i>Net Change in Fund Balance</i>	(113,396)	(113,396)	(46,430)	66,966
<i>Fund Balance Beginning of Year</i>	<u>194,013</u>	<u>194,013</u>	<u>194,013</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 80,617</u></u>	<u><u>\$ 80,617</u></u>	<u><u>\$ 147,583</u></u>	<u><u>\$ 66,966</u></u>

See accompanying notes to the basic financial statements

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Intergovernmental	\$ 64,320	\$ 64,320	\$ 86,201	\$ 21,881
Earnings on Investments	<u>2,680</u>	<u>2,680</u>	<u>5,897</u>	<u>3,217</u>
<i>Total Receipts</i>	<u>\$ 67,000</u>	<u>\$ 67,000</u>	<u>\$ 92,098</u>	<u>\$ 25,098</u>
<b>Disbursements</b>				
Current:				
Public Works	\$ 115,000	\$ 38,000	\$ 8,213	\$ 29,787
Capital Outlay	5,000	65,000	62,672	2,328
Debt Service:				
Principal Retirement	<u>0</u>	<u>17,000</u>	<u>16,909</u>	<u>91</u>
<i>Total Disbursements</i>	<u>\$ 120,000</u>	<u>\$ 120,000</u>	<u>\$ 87,794</u>	<u>\$ 32,206</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(53,000)</u>	<u>(53,000)</u>	<u>4,304</u>	<u>57,304</u>
<i>Other Financing Sources</i>				
Note Proceeds	<u>0</u>	<u>0</u>	<u>62,672</u>	<u>62,672</u>
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>62,672</u>	<u>62,672</u>
<i>Net Change in Fund Balance</i>	(53,000)	(53,000)	66,976	119,976
<i>Fund Balance Beginning of Year</i>	<u>92,267</u>	<u>92,267</u>	<u>92,267</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 39,267</u>	<u>\$ 39,267</u>	<u>\$ 159,243</u>	<u>\$ 119,976</u>

See accompanying notes to the basic financial statements



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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 27,453	\$ 27,453	\$ 28,885	\$ 1,432
Intergovernmental	3,214	3,214	2,618	(596)
<i>Total Receipts</i>	<u>\$ 30,667</u>	<u>\$ 30,667</u>	<u>\$ 31,503</u>	<u>\$ 836</u>
<b>Disbursements</b>				
Current:				
Public Works	\$ 51,750	\$ 51,750	\$ 11,231	\$ 40,519
Capital Outlay	250	250	0	250
<i>Total Disbursements</i>	<u>\$ 52,000</u>	<u>\$ 52,000</u>	<u>\$ 11,231</u>	<u>\$ 40,769</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(21,333)</u>	<u>(21,333)</u>	<u>20,272</u>	<u>41,605</u>
<i>Net Change in Fund Balance</i>	(21,333)	(21,333)	20,272	41,605
<i>Fund Balance Beginning of Year</i>	<u>60,066</u>	<u>60,066</u>	<u>60,066</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 38,733</u></u>	<u><u>\$ 38,733</u></u>	<u><u>\$ 80,338</u></u>	<u><u>\$ 41,605</u></u>

See accompanying notes to the basic financial statements

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

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**Note 1 – Reporting Entity**

The Washington Township, Miami County, Ohio is a body politic and corporate established in 1807 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 also has an elected Township Fiscal Officer.

The reporting entity is comprised of the primary government.

**A. Primary Government**

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges. The Township contracts with the City of Piqua, Covington Special Fire Department and Lockington Fire Department for fire protection. Police protection is provided by the Miami County Sheriffs Department.

**B. Joint Ventures, Jointly Governed Organizations, and Public Entity Risk Pools**

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

The Township participates in the Ohio Township Association Risk Management Association, a public entity risk pool. Notes to the financial statements provide additional information for these entities. These organizations are:

Public Entity Risk Pool:

*Ohio Township Association Risk Management Authority*  
*c/o Burnham and Flower of Ohio, Inc.*  
*6797 North High Street, Ste. 131*  
*Worthington, OH 43085*

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

**Note 2 – Summary of Significant Accounting Policies**

As discussed further in Note 2.C, these financial statements are presented on the cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of Accounting. In cases where these cash basis statements contain items that are the same as, or similar to, those items in the financial statements prepared in conformity with GAAP, similar informative disclosures are provided. Following are the more significant of the Township's accounting policies.

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

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**Note 2 – Summary of Significant Accounting Policies** (continued)

**A. Basis of Presentation**

The Township's financial statements consist of government-wide financial statements, including a Statement of Net Assets – Cash Basis and a Statement of Activities – Cash Basis, and fund financial statements which provide a more detailed level of financial information.

**Government-Wide Financial Statements**

The Statement of Net Assets – Cash Basis and a Statement of Activities – Cash Basis display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

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

**Fund Financial Statements**

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

**B. Fund Accounting**

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

**Governmental Funds**

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are, the General, Gasoline Tax, and Road and Bridge funds.

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

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**Note 2 – Summary of Significant Accounting Policies** (continued)

**B. Fund Accounting** (continued)

**Governmental Funds** (continued)

**General Fund** – This fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

**Road and Bridge Fund** – This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Township roads.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose.

**C. Basis of Accounting**

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

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

**D. Budgetary Process**

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

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the item level for all funds.

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

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

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**Note 2 – Summary of Significant Accounting Policies** (continued)

**D. Budgetary Process** (continued)

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

**E. Cash and Investments**

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

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2007 and 2006, the Township invested in State Treasury Asset Reserve (STAR Ohio). STAR Ohio is an investment pool, managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio’s share price, which is the price the investment could be sold for on December 31, 2007 and December 31, 2006.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2007 and 2006 were \$13,243 and \$12,873, respectively, which includes \$9,750 and \$6,716, for 2007 and 2006, respectively, assigned from other Township funds.

**F. Restricted Assets**

Cash, cash equivalents, and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation.

**G. Inventory and Prepaid Items**

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

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

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**Note 2 – Summary of Significant Accounting Policies** (continued)

**H. Capital Assets**

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

**I. Accumulated Leave**

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

**J. Employer Contributions to Cost-Sharing Pension Plans**

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**K. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for public safety, public works, health and human services, street maintenance and construction, and capital projects.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

**L. Interfund Transactions**

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

**Note 3 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis is presented for the General, Gasoline Tax, and Road and Bridge funds for 2007 and 2006. These statements are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances and are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis) and outstanding year end advances are treated as another financing sources or uses (budgetary basis) rather than as an interfund receivable or payable (cash basis). The Township has no outstanding encumbrances at year end.

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

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**Note 4 – Deposits and Investments**

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

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

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

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

Protection of Township's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Township by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Certificates of deposit, savings, deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).



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

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**Note 4 – Deposits and Investments** (continued)

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

A. Deposits

At December 31, 2007, the carrying amounts of the Township’s deposits were \$221,043 and the bank balance was \$224,024. Of the bank balance \$124,024 was exposed to custodial risk, discussed below, while \$100,000 was covered by Federal Deposit Insurance Corporation.

At December 31, 2006, the carrying amounts of the Township’s deposits were \$229,772 and the bank balance was \$232,556. Of the bank balance \$132,556 was exposed to custodial risk, discussed below, while \$100,000 was covered by Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that in the event of bank failure, the Township’s deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by the Ohio revised Code is held in reserve in the name of the respective depository bank and pledged as a pool of collateral against all public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the township.

B. Investments

As of December 31, 2007 and 2006, the Township had the following investments:

	Carrying Value 2007	Carrying Value 2006
STAR Ohio	\$ 292,695	\$ 197,588
Total Portfolio	\$ 292,695	\$ 197,588

These investments have a maturity of less than one year.

*Interest Rate Risk:* A means of limiting exposure to losses arising from rising interest rates and according to state law, the Township’s investment policy limits investment portfolio maturities to five years or less.

*Credit Risk:* The Township’s investments, except for the repurchase agreement as discussed above and STAR Ohio, were rated AAA and Aaa by Standard & Poor’s and Moody’s Investor Services, respectively. Standard & Poor’s has assigned STAR Ohio an AAA money market rating.

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

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**Note 4 – Deposits and Investments** (continued)

*Concentration of Credit Risk:* The Township places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Township at December 31, 2007:

Investment Type	December 31, 2007		December 31, 2006	
	Carrying Value	% of Total	Carrying Value	% of Total
Star Ohio	\$ 292,695	100%	\$ 197,588	100%

C. Reconciliation of Cash and Investment to the Statement of Net Assets

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets as of December 31, 2007 and 2006:

<u>Cash and Investments per footnote</u>		<u>2007</u>		<u>2006</u>
Carrying amount of Deposits	\$	221,043	\$	229,772
Investments		292,695		197,588
Total	\$	513,738	\$	427,360
<u>Cash and Investments per Statement of Net Assets</u>				
Governmental Activities	\$	513,738	\$	427,360

**Note 5 – Property Taxes**

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

Public utility property tax receipts received in 2007 represent the collection of 2006 taxes. Public utility real and tangible personal property taxes received in 2007 became a lien on December 31, 2006, were levied after October 1, 2006, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2007 (other than public utility property) represent the collection of 2007 taxes. Tangible personal property taxes received in 2007 were levied after October 1, 2006, on the true value as of December 31, 2005. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

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

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**Note 5 – Property Taxes** (continued)

The assessed values of real property, public utility property, and tangible personal property upon which 2007 and 2006 property tax receipts were based are as follows:

	2007	2006
Real Property		
Residential & Agricultural	\$ 31,363,620	\$ 31,025,240
Commercial/Industrial/Mineral	4,184,550	4,128,450
Public Utility Property		
Tangible Personal Property	2,277,150	2,932,090
Personal	919,790	1,039,810
Total Assessed Value	\$ 38,745,110	\$ 39,125,590

**Note 6 – Risk Management**

The Township is exposed to various risks of property and casualty losses, and injuries to employees. The Township insures against injuries to employees through the Ohio Bureau of Worker’s Compensation.

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

**Casualty Coverage**

For an occurrence prior to January 1, 2006 OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA. If losses exhaust OTARMA’s retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (for claims prior to January 1, 2006) or \$3,000,000 (for claims on or after January 1, 2006) as noted above.

**Property Coverage**

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

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

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**Note 6 – Risk Management** (continued)

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

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

**Financial Position**

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

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

At December 31, 2007 and 2006, respectively, casualty coverage liabilities noted above include approximately \$12.5 million and \$11.3 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$11.6 million and \$10.8 million of unpaid claims to be billed to approximately 950 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when related claims are due for payment. The Township’s share of these unpaid claims collectible in future years is approximately \$6,856. This payable includes the subsequent year’s contribution due if the Township terminates participation as described in the last paragraph below.

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

The Township’s contributions to OTARMA for the past three years are as follows:

<u>Contributions to OTARMA</u>	
2007	\$3,088
2006	\$3,428
2005	\$3,077

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

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

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**Note 7 – Defined Benefit Pension Plans**

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

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

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

For the year ended December 31, 2007, the members of all three plans were required to contribute 9.5 percent of their annual covered salaries. In 2006 it was 9.0 percent. The Township's contribution rate for pension benefits for 2007 was 13.85 percent and 13.70 percent in 2006. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were \$4,890, \$4,749, and \$5,514 respectively. The full amount has been contributed for 2007 and 2006.

**Note 8 – Postemployment Benefits**

**A. Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12.

A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 and 2006 local government employer contribution rate was 13.85 and 13.70 percent, respectively of covered payroll; 5.0 percent (January 1 through June 30) and 6.0 percent (July 1 through December 31) for 2007 and 4.5 percent for 2006, of covered payroll was the portion that was used to fund health care in 2007 and 2006, respectively.

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

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**Note 8 – Postemployment Benefits** (continued)

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2007, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .5 to 5 percent annually for the next eight years and 4.00 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 369,214. The actuarial value of OPERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) was \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which will allow additional funds to be allocated to the health care plan.

The Township's has made the required contributions as of December 31, 2007.

**Note 9 – Debt**

In April 2006 the Township entered into an agreement with Daimler Chrysler Financial to purchase a 2005 Sterling Dump Truck. The Township financed \$62,672 at 5.33% interest to be repaid in yearly installments of \$16,909. The outstanding balance at December 31, 2007 was \$31,293.

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

Year	Daimler Chrysler Financial	
	Principal	Interest
2008	\$ 15,241	\$ 1,668
2009	16,052	856
Totals	\$ 31,293	\$ 2,524

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**MANNING & ASSOCIATES CPAS, LLC  
6105 NORTH DIXIE DRIVE  
DAYTON, OHIO 45414**

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

Washington Township  
Miami County  
520 S. College Street  
Piqua, Ohio 45356

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Washington Township, Miami County, Ohio (the Township), as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Township's basic financial statements and have issued our report thereon dated September 11, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control over Financial Reporting**

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

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.



### **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 we must report under *Government Auditing Standards*.

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

Manning & Associates CPAs, LLC  
Dayton, Ohio

September 11, 2008





**Mary Taylor, CPA**  
Auditor of State

**WASHINGTON TOWNSHIP**

**MIAMI 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  
DECEMBER 2, 2008**