

WASHINGTON TOWNSHIP

DAYTON REGION, SHELBY COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009



Dave Yost • Auditor of State

Board of Trustees
Washington Township
8680 Fessler-Buxton Road
Piqua, Ohio 45356

We have reviewed the *Independent Auditors' Report* of Washington Township, Shelby County, prepared by Manning & Associates CPAs, LLC, for the audit period January 1, 2009 through December 31, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 15, 2011

This Page is Intentionally Left Blank.

**WASHINGTON TOWNSHIP
SHELBY COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditors' Report	1 – 2
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances – All Government Fund Types - For the Year Ended December 31, 2010	4
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances – All Government Fund Types - For the Year Ended December 31, 2009	5
Notes to the Financial Statements	6 – 11
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required By <i>Government Auditing Standards</i>	13 – 14
Schedule of Audit Findings	15
Schedule of Prior Audit Findings	16

This Page is Intentionally Left Blank.

Manning & Associates

Certified Public Accountants, LLC

John M. Manning, CPA • Sandra L. Comer, CPA • John C. Bensman, CPA • John M. Keller, CPA

INDEPENDENT AUDITORS' REPORT

Washington Township
Shelby County
8680 Fessler-Buxton Road
Piqua, Ohio 45356

To the Board of Trustees:

We have audited the accompanying financial statements of Washington Township, Shelby County, (the Township), as of and for the years ended December 31, 2010 and 2009. 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 opinion.

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

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Township's larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require townships to reformat their statements. The Township has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

Dayton | 6105 N. Dixie Drive | P.O. Box 13449 | Dayton, Ohio 45414
(937) 898-3167 | Fax (937) 898-9202 | Email: dayton@manningcpallc.com

Sidney | 500 Folkerth Avenue | Sidney, Ohio 45365
(937) 492-0386 | Fax (937) 492-3262 | Email: sidney@manningcpallc.com

America Counts
On CPAs®
www.manningcpallc.com

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2010 and 2009, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Washington Township Shelby County, Ohio, as of December 31, 2010 and 2009, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2011, 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.

Manning & Associates CPAs, LLC
Dayton, Ohio

June 20, 2011

This page intentionally left blank.

**WASHINGTON TOWNSHIP
SHELBY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES
IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Governmental Fund Types</u>			Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Permanent</u>	
Cash Receipts:				
Property and Other Local Taxes	\$ 14,226	\$ 130,180	\$ 0	\$ 144,406
Licenses, Permits, and Fees	3,984	3,884	0	7,868
Intergovernmental Receipts	27,344	117,137	0	144,481
Earnings on Investments	5	14	3	22
Miscellaneous	2,364	5,600	0	7,964
Total Cash Receipts	<u>47,923</u>	<u>256,815</u>	<u>3</u>	<u>304,741</u>
Cash Disbursements:				
Current:				
General Government	\$ 36,461	\$ 70,303	\$ 0	\$ 106,764
Public Safety	8,501	496	0	8,997
Public Works	0	59,893	0	59,893
Health	11,790	7,944	0	19,734
Capital Outlay	16,906	31,408	0	48,314
Total Cash Disbursements	<u>73,658</u>	<u>170,044</u>	<u>0</u>	<u>243,702</u>
Total Receipts Over/(Under) Disbursements	<u>(25,735)</u>	<u>86,771</u>	<u>3</u>	<u>61,039</u>
Fund Cash Balances, January 1,	<u>36,757</u>	<u>104,606</u>	<u>4,814</u>	<u>146,177</u>
Fund Cash Balances, December 31,	<u>\$ 11,022</u>	<u>\$ 191,377</u>	<u>\$ 4,817</u>	<u>\$ 207,216</u>

The Notes to the Financial Statements are an integral part of this statement.

**WASHINGTON TOWNSHIP
SHELBY COUNTY**

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

	<u>Governmental Fund Types</u>			Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Permanent</u>	
Cash Receipts:				
Property and Other Local Taxes	\$ 11,798	\$ 113,140	\$ 0	\$ 124,938
Licenses, Permits, and Fees	3,489	4,019	0	7,508
Intergovernmental Receipts	31,328	130,905	0	162,233
Earnings on Investments	61	13	2	76
Miscellaneous	427	2,400	0	2,827
Total Cash Receipts	<u>47,103</u>	<u>250,477</u>	<u>2</u>	<u>297,582</u>
Cash Disbursements:				
Current:				
General Government	\$ 82,134	\$ 21,069	\$ 0	\$ 103,203
Public Safety	8,500	383	0	8,883
Public Works	0	196,211	0	196,211
Health	14,362	7,759	0	22,121
Capital Outlay	44,004	115,690	0	159,694
Total Cash Disbursements	<u>149,000</u>	<u>341,112</u>	<u>0</u>	<u>490,112</u>
Total Receipts Over/(Under) Disbursements	<u>(101,897)</u>	<u>(90,635)</u>	<u>2</u>	<u>(192,530)</u>
Other Financing Receipts/Disbursements				
Transfers-In	0	10,000	0	10,000
Transfers-Out	(10,000)	0	0	(10,000)
Total Other Financing Receipts/(Disbursements)	<u>(10,000)</u>	<u>10,000</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements	<u>(111,897)</u>	<u>(80,635)</u>	<u>2</u>	<u>(192,530)</u>
Fund Cash Balances, January 1,	<u>148,654</u>	<u>185,241</u>	<u>4,812</u>	<u>338,707</u>
Fund Cash Balances, December 31,	<u>\$ 36,757</u>	<u>\$ 104,606</u>	<u>\$ 4,814</u>	<u>\$ 146,177</u>

The Notes to the Financial Statements are an integral part of this statement.

**WASHINGTON TOWNSHIP
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Washington Township, Shelby County, (the Township) as a body corporate and politic. A publicly elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Village of Lockington and the City of Sidney to provide fire services and the City of Sidney and the Houston Ambulance District to provide ambulance services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

C. Cash and Investments

The Township maintained a checking account and certificates of deposit during the audit period. The Township values certificates of deposit at cost.

D. Fund Accounting

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

1. General Fund:

The General Fund reports all financial resources except those required to be accounted for in another fund.

**WASHINGTON TOWNSHIP
SHELBY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (continued)

2. Special Revenue Funds:

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

Road and Bridge Fund – This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

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

Motor Vehicle License Tax Fund – This fund receives permissive motor vehicle license money to pay for constructing, maintaining, and repairing Township roads.

Road Maintenance Special Levy – This fund receives property tax money to provide road maintenance for the Township roads.

Fire District Fund – This fund receives property tax money to provide fire services to the Township residents.

Beachwood Cemetery Fund – This fund receives money from the sales of cemetery lots and the opening and closing of graves to be used for cemetery upkeep.

3. Permanent Funds:

These funds account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township had the following significant permanent funds:

Baker Bequest Fund – Amounts donated are maintained in perpetuity. Investment earnings are used for grave upkeep as specified by the donor.

Luttrell Cemetery Bequest Fund – Amounts donated are maintained in perpetuity. Investment earnings are used for grave upkeep as specified by the donor.

**WASHINGTON TOWNSHIP
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

2. Estimated Resources

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

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 2010 and 2009 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

The Township records disbursements for acquisitions of property, plant and equipment 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:

	<u>2010</u>	<u>2009</u>
Demand Deposits	\$202,837	\$141,798
Certificates of Deposit	4,379	4,379
Total Deposits	<u>\$207,216</u>	<u>\$146,177</u>

Deposits:

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

**WASHINGTON TOWNSHIP
SHELBY COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2010 was as follows:

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 45,189	\$ 47,923	\$ 2,734
Special Revenue	256,240	256,815	575
Permanent	4	3	(1)
Total	\$ 301,433	\$ 304,741	\$ 3,308

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 81,947	\$ 73,658	\$ 8,289
Special Revenue	360,846	170,044	190,802
Permanent	438	0	438
Total	\$ 443,231	\$ 243,702	\$ 199,529

Budgetary activity for the year ending December 31, 2009 was as follows:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 77,950	\$ 47,103	\$ (30,847)
Special Revenue	235,865	260,477	24,612
Permanent	0	2	2
Total	\$ 313,815	\$ 307,582	\$ (6,233)

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 225,395	\$ 159,000	\$ 66,395
Special Revenue	422,724	341,112	81,612
Permanent	4,403	0	4,403
Total	\$ 652,522	\$ 500,112	\$ 152,410

**WASHINGTON TOWNSHIP
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

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

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 SYSTEM

The Township's full-time employees belong to OPERS. OPERS is a cost sharing, multiple-employer plan. The Ohio Revised Code prescribes the plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contributions rates. For 2010 and 2009, OPERS participants contributed 10 percent of their wages and the Township contributed an amount equal to 14 percent of participants covered payroll. The Township has paid all contributions required through December 31, 2010.

6. LEASE

The Township leases a truck under a cancelable lease that is classified as a capital lease that expires in 2012.

Future lease payments for the above leases are as follows:

Year Ending December 31:	Amount
2011	16,906
2012	16,906
Total Minimum Lease Payments	\$33,812
Less amount representing interest	2,651
Present value of minimum lease payments	<u>\$31,161</u>

**WASHINGTON TOWNSHIP
SHELBY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

7. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township contracted with a private insurance agency to provide property and casualty coverage as follows:

<u>Type of Coverage</u>	<u>Amount of Coverage</u>
Automobile Liability	500,000
General Liability	300,000
Inland Marine	9,175
Property	47,300

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

8. COMPLIANCE

Ohio Rev. Code Section 5705.36 requires all subdivision to request reduced amended certificates upon determination that revenue will be less than the official certificate of estimated resources. The Township did not request a reduced estimated certificate of resources or amend appropriations as required in 2010 or 2009. Contrary to Ohio Law, estimated resources exceeded actual resources available in the Motor Vehicle License and Gasoline Tax funds \$1,937 and \$2,047, respectively. In 2009, estimated resources exceeded actual resources available in the General and Fire Levy funds by \$30,847 and \$1,693, respectively.

This page intentionally left blank.

Manning & Associates

Certified Public Accountants, LLC

John M. Manning, CPA • Sandra L. Comer, CPA • John C. Bensman, CPA • John M. Keller, CPA

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

Washington Township
Shelby County
8680 Fessler-Buxton Road
Piqua, Ohio 45356

To the Board of Trustees:

We have audited the financial statements of Washington Township, Shelby County, (the Township) as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated June 20, 2011, wherein we noted the Township prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect, and timely correct misstatements. *A material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, 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.

Dayton | 6105 N. Dixie Drive | P.O. Box 13449 | Dayton, Ohio 45414
(937) 898-3167 | Fax (937) 898-9202 | Email: dayton@manningcpallc.com

Sidney | 500 Folkerth Avenue | Sidney, Ohio 45365
(937) 492-0386 | Fax (937) 492-3262 | Email: sidney@manningcpallc.com

America Counts
On CPAs®
www.manningcpallc.com

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 an instance of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as Finding Number 2010-001.

We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated June 20, 2011.

The Township's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Township's responses and, accordingly, we express no opinion on them.

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

Manning & Associates CPAs, LLC
Dayton, Ohio

June 20, 2011

**WASHINGTON TOWNSHIP
SHELBY COUNTY**

**SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

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

FINDING NUMBER 2010-001

Ohio Rev. Code, Section 5705.36, requires all subdivisions to request reduced amended certificates upon determination by the Fiscal Officer that revenue to be collected will be less than the amount in the official certificate of estimated resources. The intent of this requirement is to require the Fiscal Officer to obtain a reduced amended certificate when it appears that budgetary resources will fall short of earlier estimates, reducing the possibility that deficit spending will occur. Actual receipts for both years of the audit period were below estimated receipts in the following funds:

Fund	Estimated Receipts	Actual Receipts	Variance
2010			
Motor Vehicle License	\$ 10,502	\$ 8,565	\$ (1,937)
Gasoline Tax	90,000	87,953	(2,047)
2009			
General	\$ 77,950	\$ 47,103	\$ (30,847)
Fire Levy	17,500	15,807	(1,693)

Failure to amend estimated resources and the corresponding appropriations resulted in the Township's appropriations exceeding actual resources available for appropriation for the funds noted above. However, we noted no negative fund balances during 2010 or 2009.

Failure to monitor estimated resources and provide accurate and complete financial information limits management's resources for decision making and can provide a false perception of the Township's financial position which could result in overspending. Failure to accurately prepare and reconcile the accounting records reduces the Trustee's ability to monitor financial activity, increases the likelihood that monies will be misappropriated and go detected and increases the likelihood that the Township's financial statements will be misstated.

Response: The Trustees and Fiscal Officer recognize the importance of budgetary law and plan to monitor budgetary receipts in the future.

**WASHINGTON TOWNSHIP
SHELBY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2010 AND 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Correction Action Taken; or Finding No Longer Valid; Explain
2008-001	ORC Sec. 5705.41(D) - Failure to certify availability of funds prior to incurring each expense	Partially	Reissued as Management Comment
2008-002	ORC Sec. 5705.36 - Amended certificates not obtained when necessary & permanent fund balances were included as available resources	No	Reissued as Finding Number 2010-001
2008-003	ORC Sec. 117.38 - Non-expendable trusts balances were not properly reclassified as permanent or private purpose	Yes	
2008-004	ORC Sec. 135.18(A) - Adequate depository agreement not in place during the audit period	Yes	
2008-005	ORC Sec. 505.24(C) - Trustee salaries were paid from Special Revenue Funds without proper supporting documentation.	Yes	



Dave Yost • Auditor of State

WASHINGTON TOWNSHIP

SHELBY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 28, 2011