

Washington Township

Scioto County, Ohio

Regular Audit

For the Years Ended December 31, 2005 and 2004

BALESTRA, HARR & SCHERER, CPAs, INC.

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**Auditor of State
Betty Montgomery**

Board of Trustees
Washington Township
520 Calverts Lane
Portsmouth, Ohio 45663

We have reviewed the *Independent Auditors' Report* of Washington Township, Scioto County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2004 through December 31, 2005. 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.

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

BETTY MONTGOMERY
Auditor of State

August 24, 2006

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Washington Township
 Scioto County, Ohio
 For the Years Ended December 31, 2005 and 2004
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Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

Independent Auditors' Report

Board of Trustees
Washington Township
Scioto County, Ohio
520 Calverts Lane
Portsmouth, Ohio 45662

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Washington Township, Scioto County, Ohio, (the Township) as of and for the years ended December 31, 2005 and 2004 which collectively comprise 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 opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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 basis financial position of the governmental activities, each major fund, and the remaining fund information of Washington Township, Scioto County, Ohio as of December 31, 2005 and 2004, and the respective changes in cash basis financial position and the respective budgetary comparisons for the General, Gas Tax, Road and Bridge, Fire, Ambulance, Road and Sheriff Funds, thereof for the year then ended in conformity with the accounting basis Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2006, 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. That report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. It does not opine on the internal control over financial reporting or compliance. 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 considering the results of the audits.

The Management's Discussion and Analysis on pages 3-8 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.

As discussed further in Note 3, the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard (GASB) No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements for State and Local Governments: Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosure*, and implemented GASB Statement No. 40, *Deposit and Investment Risk Disclosures*.



Balestra, Harr & Scherer, CPAs, Inc.
May 30, 2006

Washington Township, Scioto County
Management's Discussion and Analysis
For the Years Ended December 31, 2005 and 2004
Unaudited

This discussion and analysis of Washington Township's (the Township's) financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2005 and 2004, 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 Township's financial performance.

Highlights

Key highlights for 2005 and 2004 are as follows:

Net assets of governmental activities increased \$96,956, or 16.50 percent, in 2005. Net assets of governmental activities increased \$67,639, or 13.01 percent in 2004. The fund most affected by the increase in cash and cash equivalents in both 2005 and 2004 was the Road Fund. Although collecting both property/local taxes and intergovernmental revenues, expenditures are minimal.

The Township's general receipts are primarily property taxes and intergovernmental receipts. These receipts represent respectively 64.36 and 28.60 percent of the total cash received for governmental activities during 2005, and 65.95 and 25.23 percent of the total cash received for governmental activities during 2004. Property tax receipts for 2005 increase by 5.43 percent mostly due to increase property values. Intergovernmental receipts for 2005 increased by 22.46 percent mostly due to increased receipts from local governments. The Township recognized the sale of two notes, totaling \$103,832, in 2004 to finance the purchase of capital assets.

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 cash 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.

Washington Township, Scioto County
Management's Discussion and Analysis
For the Years Ended December 31, 2005 and 2004
Unaudited

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 2005 and 2004, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental activities of the Township at years 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.

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 and intergovernmental monies.

In the statement of net assets and the statement of activities, the Township reports only one type of activity:

Governmental activities. All of the Township's basic services are reported here. State and federal grants and property and gasoline taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Washington Township, Scioto County
Management's Discussion and Analysis
For the Years Ended December 31, 2005 and 2004
Unaudited

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 funds.

Governmental Funds - All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds 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. For both 2005 and 2004, the Township's major governmental funds are the General, Road and Bridge, Police, Fire, and Emergency Medical Services Funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2005 compared to 2004 on a cash basis:

(Table 1)
Net Assets

	Governmental Activities	
	2005	2004
Assets		
Cash and Cash		
Equivalents	\$684,444	\$587,488
Total Assets	\$684,444	\$587,488
 Net Assets		
Restricted	\$616,348	\$505,567
Unrestricted	\$68,096	\$81,921
Total Net Assets	\$684,444	\$587,488

As mentioned previously, net assets of governmental activities increased \$96,956 or 16.50 percent during 2005. The primary reason contributing to the increase is the decrease in capital outlay expenditures.

Net assets of governmental activities increased \$67,639 or 13.01 percent during 2004. The primary reason contributing to the increase in cash balances is the decrease in Public Works expenditures.

Washington Township, Scioto County
Management's Discussion and Analysis
For the Years Ended December 31, 2005 and 2004
Unaudited

Table 2 reflects the changes in net assets in 2005 and 2004.

(Table 2)
Changes in Net Assets

	Governmental Activities 2005	Governmental Activities 2004
Receipts:		
Program Receipts:		
Charges for Services	\$49,093	\$45,128
Operating Grants and Contributions	224,975	181,988
Total Program Receipts	274,068	227,116
General Receipts:		
Property and Other Local Taxes	568,022	538,746
Grants and Entitlements Not Restricted to Specific Programs	27,397	24,092
Sale of Notes	0	103,832
Interest	9,231	8,424
Miscellaneous	3,800	18,544
Total General Receipts	608,450	693,638
Total Receipts	882,518	920,754
Disbursements:		
General Government	159,959	157,413
Public Safety	308,116	251,956
Public Works	249,062	268,834
Health	27,817	15,521
Capital Outlay	8,593	111,150
Debt Service	32,015	48,241
Total Disbursements	785,562	853,115
Increase / (Decrease) in Net Assets	96,956	67,639
Net Assets, January 1	587,488	519,849
Net Assets, December 31	\$684,444	\$587,488

Washington Township, Scioto County
Management's Discussion and Analysis
For the Years Ended December 31, 2005 and 2004
Unaudited

Program receipts represent 31.03 percent of total receipts in 2005 and 24.67 percent of total receipts in 2004 and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money.

General receipts represent 68.94 percent of the Township's total receipts for 2005 and 75.33 percent of the Township's total receipts for 2004, and of this amount, 64.36 percent are local taxes in 2005 and 65.95 percent are local taxes in 2004. Grants and Entitlements not restricted to Specific Programs represents 4.5 percent of general receipts for 2005 and 3.47 percent of general receipts for 2004. The sale of notes represents 14.97 percent of total receipts in 2004. The notes were issued for the purchase of a new dump truck and air tanks for the fire department. Other receipts are 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. These include the costs of council and the Clerk, as well as internal services such as payroll and purchasing.

Governmental Activities

If you look at the Statement of Activities on pages 11 and 12, 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 and public works, which account for 39.22 and 31.70 percent of all governmental disbursements, respectively in 2005 and 29.53 and 31.51, respectively in 2004. The next column of the Statement entitled Program Cash Receipts identifies 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 mainly 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.

(Table 3)

Governmental Activities

	Total Cost Of Services 2005	Total Cost Of Services 2004	Net Cost of Services 2005	Net Cost of Services 2004
General Government	\$159,959	\$157,413	(\$65,056)	(\$102,730)
Public Safety	308,116	251,956	(208,246)	(201,724)
Public Works	249,062	268,834	(177,734)	(146,633)
Health	27,817	15,521	(19,850)	(15,521)
Capital Outlay	8,593	111,150	(8,593)	(111,150)
Debt Service	32,015	48,241	(32,015)	(48,241)
Total Expenses	\$785,562	\$853,115	(\$511,494)	(\$625,999)

Washington Township, Scioto County
Management's Discussion and Analysis
For the Years Ended December 31, 2005 and 2004
Unaudited

The Township's Funds

Total governmental funds had total receipts and other financing sources of \$898,518 and disbursements and other financing uses of \$801,562 in 2005 and receipts and other financing sources of \$920,754 and disbursements of \$853,115 in 2004. The greatest change within governmental funds for both years occurred within the Road Fund. While collecting both property and local taxes and intergovernmental revenues, disbursements were minimal.

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio Law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

During the course of calendar years 2005 and 2004 the Township amended its General Fund budget several times. The Township uses fund budgeting and the budgeting systems are designed to tightly control the total funds' budget.

For 2005, General Fund budget basis actual receipts were \$148,045 and \$130,370 for 2004. Total actual disbursements on the budget basis (cash disbursements plus encumbrances) for 2005 were \$161,870, \$13,825 over cash receipts. Total actual disbursements on the budget basis (cash disbursements plus encumbrances) for 2004 were \$158,166, \$27,796 over cash receipts.

Debt

At December 31, 2005, the Township had debt outstanding of \$36,083 for a loan taken out for building demolition and \$49,747 for a dump truck. For additional information on debt, see Note 10 to the basic financial statements.

Current Financial Related Activities

Green Township is strong financially. As the preceding information shows, the Township heavily depends on its taxpayers. However, financially the future is not without challenges.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township'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 Jerry Russell, Clerk, Washington Township, 520 Calverts Lane, Portsmouth, Ohio 45662.

Washington Township, Scioto County
Statement of Net Assets - Cash Basis
December 31, 2005

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$684,444</u>
<i>Total Assets</i>	<u><u>\$684,444</u></u>
Net Assets	
Restricted for:	
Public Safety	\$62,412
Road Maintenance	354,497
Other Purposes	199,439
Unrestricted	<u>68,096</u>
<i>Total Net Assets</i>	<u><u>\$684,444</u></u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Net Assets - Cash Basis
December 31, 2004

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$587,488</u>
<i>Total Assets</i>	<u><u>\$587,488</u></u>
Net Assets	
Restricted for:	
Public Safety	\$56,196
Road Maintenance	277,295
Other Purposes	172,076
Unrestricted	<u>81,921</u>
<i>Total Net Assets</i>	<u><u>\$587,488</u></u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County

*Statement of Activities - Cash Basis
For the Year Ended December 31, 2005*

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$159,959	\$49,093	\$45,810	(\$65,056)
Public Safety	308,116	0	99,870	(208,246)
Public Works	249,062	0	71,328	(177,734)
Health	27,817	0	7,967	(19,850)
Capital Outlay	8,593	0	0	(8,593)
Debt Service	32,015	0	0	(32,015)
<i>Total Governmental Activities</i>	<u>\$785,562</u>	<u>\$49,093</u>	<u>\$224,975</u>	(511,494)
General Receipts				
Property Taxes Levied for:				
General Purposes				55,397
Other Purposes				512,625
Grants and Entitlements not Restricted to Specific Programs				27,397
Interest				9,231
Other				3,800
<i>Total General Receipts</i>				<u>608,450</u>
Change in Net Assets				96,956
<i>Net Assets Beginning of Year</i>				<u>587,488</u>
<i>Net Assets End of Year</i>				<u><u>\$684,444</u></u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2004

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$157,413	\$45,128	\$9,555	(\$102,730)
Public Safety	251,956	0	50,232	(201,724)
Public Works	268,834	0	122,201	(146,633)
Health	15,521	0	0	(15,521)
Capital Outlay	111,150	0	0	(111,150)
Debt Service	48,241	0	0	(48,241)
<i>Total Governmental Activities</i>	<u>\$853,115</u>	<u>\$45,128</u>	<u>\$181,988</u>	<u>(625,999)</u>
General Receipts				
Property Taxes Levied for:				
General Purposes				48,764
Other Purposes				489,982
Grants and Entitlements not Restricted to Specific Programs				24,092
Sale of Notes				103,832
Interest				8,424
Other				18,544
<i>Total General Receipts</i>				<u>693,638</u>
Change in Net Assets				67,639
<i>Net Assets Beginning of Year</i>				<u>519,849</u>
<i>Net Assets End of Year</i>				<u><u>\$587,488</u></u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2005

	General	Gas Fund	Road and Bridge Fund	Fire Fund	Ambulance Fund	Road Fund	Sheriff Fund	Other Governmental Funds	Total Governmental Funds
Assets									
Equity in Pooled Cash and Cash Equivalents	\$68,096	\$122,834	\$91,244	\$24,229	\$578	\$263,253	\$37,605	\$76,605	\$684,444
<i>Total Assets</i>	<u>\$68,096</u>	<u>\$122,834</u>	<u>\$91,244</u>	<u>\$24,229</u>	<u>\$578</u>	<u>\$263,253</u>	<u>\$37,605</u>	<u>\$76,605</u>	<u>\$684,444</u>
Fund Balances									
Unreserved:									
Undesignated (Deficit), Reported in:									
General Fund	\$68,096	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$68,096
Special Revenue Funds	0	122,834	91,244	24,229	578	263,253	37,605	76,605	616,348
<i>Total Fund Balances</i>	<u>\$68,096</u>	<u>\$122,834</u>	<u>\$91,244</u>	<u>\$24,229</u>	<u>\$578</u>	<u>\$263,253</u>	<u>\$37,605</u>	<u>\$76,605</u>	<u>\$684,444</u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Cash Basis Assets and Fund Balances
 Governmental Funds
 December 31, 2004

	General Fund	Gas Fund	Road and Bridge Fund	Fire Fund	Ambulance Fund	Road Fund	Sheriff Fund	Other Governmental Funds	Total Governmental Funds
Assets									
Equity in Pooled Cash and Cash Equivalents	\$81,921	\$97,317	\$110,332	\$19,425	\$12,121	\$166,963	\$24,650	\$74,759	\$587,488
<i>Total Assets</i>	<u>\$81,921</u>	<u>\$97,317</u>	<u>\$110,332</u>	<u>\$19,425</u>	<u>\$12,121</u>	<u>\$166,963</u>	<u>\$24,650</u>	<u>\$74,759</u>	<u>\$587,488</u>
Fund Balances									
Unreserved:									
Undesignated (Deficit), Reported in:									
General Fund	\$81,921	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$81,921
Special Revenue Funds	0	97,317	110,332	19,425	12,121	166,963	24,650	74,759	505,567
<i>Total Fund Balances</i>	<u>\$81,921</u>	<u>\$97,317</u>	<u>\$110,332</u>	<u>\$19,425</u>	<u>\$12,121</u>	<u>\$166,963</u>	<u>\$24,650</u>	<u>\$74,759</u>	<u>\$587,488</u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2005

	General Fund	Gas Fund	Road and Bridge Fund	Fire Fund	Ambulance Fund	Road Fund	Sheriff Fund	Other Governmental Funds	Total Governmental Funds
Receipts									
Property and Other Local Taxes	\$55,397	\$0	\$150,997	\$75,056	\$67,019	\$84,996	\$109,729	\$24,828	\$568,022
Intergovernmental	27,397	78,035	25,522	12,763	10,510	13,627	19,339	65,179	252,372
Licenses, Permits, and Fees	49,093	0	0	0	0	0	0	0	49,093
Interest	7,481	1,415	0	0	0	0	0	335	9,231
Other	677	0	0	3,123	0	0	0	0	3,800
<i>Total Receipts</i>	<u>140,045</u>	<u>79,450</u>	<u>176,519</u>	<u>90,942</u>	<u>77,529</u>	<u>98,623</u>	<u>129,068</u>	<u>90,342</u>	<u>882,518</u>
Disbursements									
Current:									
General Government	114,256	0	0	9,998	35,705	0	0	0	159,959
Public Safety	0	0	0	76,140	53,367	0	116,113	62,496	308,116
Public Works	795	53,933	174,594	0	0	2,333	0	17,407	249,062
Health	27,817	0	0	0	0	0	0	0	27,817
Capital Outlay	0	0	0	0	0	0	0	8,593	8,593
Debt Service									
Principal Retirement	8,441	0	18,603	0	0	0	0	0	27,044
Interest and Fiscal Charges	2,561	0	2,410	0	0	0	0	0	4,971
<i>Total Disbursements</i>	<u>153,870</u>	<u>53,933</u>	<u>195,607</u>	<u>86,138</u>	<u>89,072</u>	<u>2,333</u>	<u>116,113</u>	<u>88,496</u>	<u>785,562</u>
<i>Excess of Receipts Over/(Under) Disbursements</i>	<u>(13,825)</u>	<u>25,517</u>	<u>(19,088)</u>	<u>4,804</u>	<u>(11,543)</u>	<u>96,290</u>	<u>12,955</u>	<u>1,846</u>	<u>96,956</u>
Other Financing Sources/(Uses)									
Advances-In	8,000	0	0	0	8,000	0	0	0	16,000
Advances-Out	(8,000)	0	0	0	(8,000)	0	0	0	(16,000)
<i>Total Other Financing Sources/(Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(13,825)</u>	<u>25,517</u>	<u>(19,088)</u>	<u>4,804</u>	<u>(11,543)</u>	<u>96,290</u>	<u>12,955</u>	<u>1,846</u>	<u>96,956</u>
<i>Fund Balances- Beginning of Year</i>	<u>81,921</u>	<u>97,317</u>	<u>110,332</u>	<u>19,425</u>	<u>12,121</u>	<u>166,963</u>	<u>24,650</u>	<u>74,759</u>	<u>587,488</u>
<i>Fund Balances- End of Year</i>	<u>\$68,096</u>	<u>\$122,834</u>	<u>\$91,244</u>	<u>\$24,229</u>	<u>\$578</u>	<u>\$263,253</u>	<u>\$37,605</u>	<u>\$76,605</u>	<u>\$684,444</u>

See accompanying notes to the basic financial statements.

Washington Township, Scioto County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2004

	General Fund	Gas Fund	Road and Bridge Fund	Fire Fund	Ambulance Fund	Road Fund	Sheriff Fund	Other Governmental Funds	Total Governmental Funds
Receipts									
Property and Other Local Taxes	\$48,764	\$0	\$140,554	\$73,699	\$61,341	\$82,697	\$107,517	\$24,174	\$538,746
Intergovernmental	24,092	68,518	24,008	12,752	25,497	13,588	19,202	18,423	206,080
Licenses, Permits, and Fees	45,128	0	0	0	0	0	0	0	45,128
Interest	6,859	1,261	0	0	0	0	0	304	8,424
Other	5,527	24	600	12,393	0	0	0	0	18,544
<i>Total Receipts</i>	<u>130,370</u>	<u>69,803</u>	<u>165,162</u>	<u>98,844</u>	<u>86,838</u>	<u>96,285</u>	<u>126,719</u>	<u>42,901</u>	<u>816,922</u>
Disbursements									
Current:									
General Government	124,325	0	0	1,485	31,603	0	0	0	157,413
Public Safety	0	0	0	70,716	52,729	0	126,358	2,153	251,956
Public Works	0	78,220	172,660	0	0	3,388	0	14,566	268,834
Health	15,521	0	0	0	0	0	0	0	15,521
Capital Outlay	7,318	0	77,650	26,182	0	0	0	0	111,150
Debt Service									
Principal Retirement	7,976	0	9,300	26,182	0	0	0	0	43,458
Interest and Fiscal Charges	3,026	0	1,207	550	0	0	0	0	4,783
<i>Total Disbursements</i>	<u>158,166</u>	<u>78,220</u>	<u>260,817</u>	<u>125,115</u>	<u>84,332</u>	<u>3,388</u>	<u>126,358</u>	<u>16,719</u>	<u>853,115</u>
<i>Excess of Receipts Over/(Under) Disbursements</i>	<u>(27,796)</u>	<u>(8,417)</u>	<u>(95,655)</u>	<u>(26,271)</u>	<u>2,506</u>	<u>92,897</u>	<u>361</u>	<u>26,182</u>	<u>(36,193)</u>
Other Financing Sources/(Uses)									
Sale of Notes	0	0	77,650	26,182	0	0	0	0	103,832
<i>Total Other Financing Sources/(Uses)</i>	<u>0</u>	<u>0</u>	<u>77,650</u>	<u>26,182</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>103,832</u>
<i>Net Change in Fund Balances</i>	<u>(27,796)</u>	<u>(8,417)</u>	<u>(18,005)</u>	<u>(89)</u>	<u>2,506</u>	<u>92,897</u>	<u>361</u>	<u>26,182</u>	<u>67,639</u>
<i>Fund Balances- Beginning of Year</i>	<u>109,717</u>	<u>105,734</u>	<u>128,337</u>	<u>19,514</u>	<u>9,615</u>	<u>74,066</u>	<u>24,289</u>	<u>48,577</u>	<u>519,849</u>
<i>Fund Balances- End of Year</i>	<u>\$81,921</u>	<u>\$97,317</u>	<u>\$110,332</u>	<u>\$19,425</u>	<u>\$12,121</u>	<u>\$166,963</u>	<u>\$24,650</u>	<u>\$74,759</u>	<u>\$587,488</u>

See accompanying notes to the basic financial statements.

Washington Township, Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$50,000	\$55,397	\$55,397	0
Intergovernmental	27,000	27,397	27,397	0
Licenses, Permits and Fees	0	49,093	49,093	0
Interest	8,000	7,481	7,481	0
Other	20,524	677	677	0
<i>Total Receipts</i>	<u>105,524</u>	<u>140,045</u>	<u>140,045</u>	<u>0</u>
Disbursements				
Current:				
General Government	\$148,443	\$114,256	\$114,256	\$0
Public Works	7,000	795	795	0
Health	8,000	27,817	27,817	0
Capital Outlay	13,000	0	0	0
Debt Service:				
Principal Retirement	8,441	8,441	8,441	0
Interest and Fiscal Charges	2,561	2,561	2,561	0
<i>Total Disbursements</i>	<u>187,445</u>	<u>153,870</u>	<u>153,870</u>	<u>0</u>
<i>Excess of Receipts Over / (Under) Disbursements</i>	<u>(81,921)</u>	<u>(13,825)</u>	<u>(13,825)</u>	<u>0</u>
Other Financing Sources / (Uses)				
Advances In	0	8,000	8,000	0
Advances Out	0	(8,000)	(8,000)	0
<i>Total Other Financing Sources / (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(81,921)	(13,825)	(13,825)	0
<i>Fund Balance - Beginning of Year</i>	<u>81,921</u>	<u>81,921</u>	<u>81,921</u>	<u>0</u>
<i>Fund Balance - End of Year</i>	<u>\$0</u>	<u>\$68,096</u>	<u>\$68,096</u>	<u>\$0</u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual -Budget Basis
 Gas Fund
 For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$93,319	\$78,035	\$78,035	\$0
Interest	0	1,415	1,415	0
<i>Total receipts</i>	<u>93,319</u>	<u>79,450</u>	<u>79,450</u>	<u>0</u>
Disbursements				
Current:				
Public Works	190,636	53,933	53,933	0
<i>Total Disbursements</i>	<u>190,636</u>	<u>53,933</u>	<u>53,933</u>	<u>0</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(97,317)</u>	<u>25,517</u>	<u>25,517</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(97,317)	25,517	25,517	0
<i>Fund Balance Beginning of Year</i>	<u>97,317</u>	<u>97,317</u>	<u>97,617</u>	<u>300</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$122,834</u></u>	<u><u>\$123,134</u></u>	<u><u>\$300</u></u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$134,000	\$150,997	\$150,997	\$0
Intergovernmental	11,000	25,522	25,522	0
<i>Total receipts</i>	<u>145,000</u>	<u>176,519</u>	<u>176,519</u>	<u>0</u>
Disbursements				
Current:				
Public Works	234,319	174,594	174,594	0
Debt Service:				
Principal Retirement	18,603	18,603	18,603	0
Interest and Fiscal Charges	2,410	2,410	2,410	0
<i>Total Disbursements</i>	<u>255,332</u>	<u>195,607</u>	<u>195,607</u>	<u>0</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(110,332)</u>	<u>(19,088)</u>	<u>(19,088)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(110,332)	(19,088)	(19,088)	0
<i>Fund Balance Beginning of Year</i>	<u>110,332</u>	<u>110,332</u>	<u>110,332</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$91,244</u></u>	<u><u>\$91,244</u></u>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Fire Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$70,000	\$75,056	\$75,056	\$0
Intergovernmental	12,000	12,763	12,763	0
Other	0	3,123	3,123	0
<i>Total Receipts</i>	<u>82,000</u>	<u>90,942</u>	<u>90,942</u>	<u>0</u>
Disbursements				
Current:				
General Government	10,000	9,998	9,998	0
Public Safety	91,425	76,140	76,140	0
<i>Total Disbursements</i>	<u>101,425</u>	<u>86,138</u>	<u>86,138</u>	<u>0</u>
<i>Excess of Receipts Over / (Under) Disbursements</i>	<u>(19,425)</u>	<u>4,804</u>	<u>4,804</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(19,425)	4,804	4,804	0
<i>Fund Balance - Beginning of Year</i>	<u>19,425</u>	<u>19,425</u>	<u>19,425</u>	<u>0</u>
<i>Fund Balance - End of Year</i>	<u><u>\$0</u></u>	<u><u>\$24,229</u></u>	<u><u>\$24,229</u></u>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Ambulance Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$71,306	\$67,019	\$67,019	\$0
Intergovernmental	12,000	10,510	10,510	0
<i>Total Receipts</i>	83,306	77,529	77,529	0
Disbursements				
Current:				
General Government	35,000	35,705	35,705	0
Public Safety	60,427	53,367	53,367	0
<i>Total Disbursements</i>	95,427	89,072	89,072	0
<i>Excess of Receipts Over / (Under) Disbursements</i>	(12,121)	(11,543)	(11,543)	0
Other Financing Sources / (Uses)				
Advances In	0	8,000	8,000	0
Advances Out	0	(8,000)	(8,000)	0
<i>Total Other Financing Sources / (Uses)</i>	0	0	0	0
<i>Net Change in Fund Balance</i>	(12,121)	(11,543)	(11,543)	0
<i>Fund Balance - Beginning of Year</i>	12,121	12,121	12,121	0
<i>Fund Balance - End of Year</i>	\$0	\$578	\$578	\$0

See accompanying notes to the basic financial statements

Washington Township, Scioto County
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual -Budget Basis
 Road Fund
 For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$99,423	\$84,996	\$84,996	\$0
Intergovernmental	0	13,627	13,627	0
<i>Total Receipts</i>	<u>99,423</u>	<u>98,623</u>	<u>98,623</u>	<u>0</u>
Disbursements				
Current:				
Public Works	266,386	2,333	2,333	0
<i>Total Disbursements</i>	<u>266,386</u>	<u>2,333</u>	<u>2,333</u>	<u>0</u>
<i>Excess of Receipts Over (Under) / Disbursements</i>	<u>(166,963)</u>	<u>96,290</u>	<u>96,290</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(166,963)	96,290	96,290	0
<i>Fund Balance - Beginning of Year</i>	<u>166,963</u>	<u>166,963</u>	<u>166,963</u>	<u>0</u>
<i>Fund Balance - End of Year</i>	<u>\$0</u>	<u>\$263,253</u>	<u>\$263,253</u>	<u>\$0</u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Sheriff Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$103,800	\$109,729	\$109,729	\$0
Intergovernmental	16200	19,339	19,339	0
<i>Total Receipts</i>	<u>120,000</u>	<u>129,068</u>	<u>129,068</u>	<u>0</u>
Disbursements				
Current:				
Public Safety	144,650	116,113	116,113	0
<i>Total Disbursements</i>	<u>144,650</u>	<u>116,113</u>	<u>116,113</u>	<u>0</u>
<i>Excess of Receipts Over (Under) / Disbursements</i>	<u>(24,650)</u>	<u>12,955</u>	<u>12,955</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(24,650)	12,955	12,955	0
<i>Fund Balance - Beginning of Year</i>	<u>24,650</u>	<u>24,650</u>	<u>24,650</u>	<u>0</u>
<i>Fund Balance - End of Year</i>	<u>\$0</u>	<u>\$37,605</u>	<u>\$37,605</u>	<u>\$0</u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$49,000	\$48,764	\$48,764	\$0
Intergovernmental	21,000	24,092	24,092	0
Licenses, Permits and Fees	8,000	45,128	45,128	0
Interest	9,500	6,859	6,859	0
Other	<u>23,975</u>	<u>5,527</u>	<u>5,527</u>	<u>0</u>
<i>Total receipts</i>	<u>111,475</u>	<u>130,370</u>	<u>130,370</u>	<u>0</u>
Disbursements				
Current:				
General Government	188,012	124,325	124,325	0
Health	22,120	15,521	15,521	0
Capital Outlay	11,060	7,318	7,318	0
Debt Service:				
Principal Retirement	0	7,976	7,976	0
Interest and Fiscal Charges	<u>0</u>	<u>3,026</u>	<u>3,026</u>	<u>0</u>
<i>Total Disbursements</i>	<u>221,192</u>	<u>158,166</u>	<u>158,166</u>	<u>0</u>
<i>Excess of Receipts Over / (Under) Disbursements</i>	<u>(109,717)</u>	<u>(27,796)</u>	<u>(27,796)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(109,717)	(27,796)	(27,796)	0
<i>Fund Balance - Beginning of Year</i>	<u>109,717</u>	<u>109,717</u>	<u>109,717</u>	<u>0</u>
<i>Fund Balance - End of Year</i>	<u><u>\$0</u></u>	<u><u>\$81,921</u></u>	<u><u>\$81,921</u></u>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Gas Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$88,601	\$68,518	\$68,518	\$0
Interest	2,000	1,261	1,261	0
Other	0	24	24	0
<i>Total Receipts</i>	<u>90,601</u>	<u>69,803</u>	<u>69,803</u>	<u>0</u>
Disbursements				
Current:				
Public Works	196,335	78,220	78,220	0
<i>Total Disbursements</i>	<u>196,335</u>	<u>78,220</u>	<u>78,220</u>	<u>0</u>
<i>Excess of Receipts Over / (Under) Disbursements</i>	<u>(105,734)</u>	<u>(8,417)</u>	<u>(8,417)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(105,734)	(8,417)	(8,417)	0
<i>Fund Balance - Beginning of Year</i>	<u>105,734</u>	<u>105,734</u>	<u>105,734</u>	<u>0</u>
<i>Fund Balance - End of Year</i>	<u><u>\$0</u></u>	<u><u>\$97,317</u></u>	<u><u>\$97,317</u></u>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Road and Bridge Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$140,800	\$140,554	\$140,554	\$0
Intergovernmental	23,844	24,008	24,008	0
Other	0	600	600	0
<i>Total Receipts</i>	<u>164,644</u>	<u>165,162</u>	<u>165,162</u>	<u>0</u>
Disbursements				
Current:				
Public Works	292,924	172,660	172,660	0
Capital Outlay	0	77,650	77,650	0
Debt Service:				
Principal Retirement	0	9,300	9,300	0
Interest and Fiscal Charges	0	1,207	1,207	0
<i>Total Disbursements</i>	<u>292,924</u>	<u>260,817</u>	<u>260,817</u>	<u>0</u>
<i>Excess of Receipts Over / (Under) Disbursements</i>	<u>(128,280)</u>	<u>(95,655)</u>	<u>(95,655)</u>	<u>0</u>
Other Financing Sources (Uses)				
Sale of Notes	0	77,650	77,650	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>77,650</u>	<u>77,650</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(128,280)	(18,005)	(18,005)	0
<i>Fund Balance - Beginning of Year</i>	128,017	128,074	128,074	0
<i>Prior Year Encumbrances Appropriated</i>	<u>263</u>	<u>263</u>	<u>263</u>	<u>0</u>
<i>Fund Balance - End of Year</i>	<u>\$0</u>	<u>\$110,332</u>	<u>\$110,332</u>	<u>\$0</u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Fire Fund
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$75,000	\$73,699	\$73,699	\$0
Intergovernmental	15,000	12,752	12,752	0
Other	37,739	12,393	12,393	0
<i>Total Receipts</i>	<u>127,739</u>	<u>98,844</u>	<u>98,844</u>	<u>0</u>
Disbursements				
Current:				
General Government	0	1,485	1,485	0
Public Safety	117,253	70,716	70,716	0
Capital Outlay	30,000	26,182	26,182	0
Debt Service:				
Principal Retirement		26,183	26,183	0
Interest and Fiscal Charges	0	549	549	0
<i>Total Disbursements</i>	<u>147,253</u>	<u>125,115</u>	<u>125,115</u>	<u>0</u>
<i>Excess of Receipts Over / (Under) Disbursements</i>	<u>(19,514)</u>	<u>(26,271)</u>	<u>(26,271)</u>	<u>0</u>
Other Financing Sources (Uses)				
Sales of Notes	0	26,182	26,182	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>26,182</u>	<u>26,182</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(19,514)</u>	<u>(89)</u>	<u>(89)</u>	<u>0</u>
<i>Fund Balance - Beginning of Year</i>	<u>19,514</u>	<u>19,514</u>	<u>19,514</u>	<u>0</u>
<i>Fund Balance - End of Year</i>	<u>\$0</u>	<u>\$19,425</u>	<u>\$19,425</u>	<u>\$0</u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Ambulance Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$63,000	\$61,341	\$61,341	\$0
Intergovernmental	31,715	25,497	25,497	0
<i>Total Receipts</i>	<u>94,715</u>	<u>86,838</u>	<u>86,838</u>	<u>0</u>
Disbursements				
Current:				
General Government	38,643	31,603	31,603	0
Public Safety	65,687	52,729	52,729	0
<i>Total Disbursements</i>	<u>104,330</u>	<u>84,332</u>	<u>84,332</u>	<u>0</u>
<i>Excess of Receipts Over / (Under) Disbursements</i>	<u>(9,615)</u>	<u>2,506</u>	<u>2,506</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(9,615)	2,506	2,506	0
<i>Fund Balance - Beginning of Year</i>	9,558	9,558	9,558	0
Prior Year Encumbrances Appropriated	<u>57</u>	<u>57</u>	<u>57</u>	<u>0</u>
<i>Fund Balance - End of Year</i>	<u><u>\$0</u></u>	<u><u>\$12,121</u></u>	<u><u>\$12,121</u></u>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Road Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$81,400	\$82,697	\$82,697	\$0
Intergovernmental	24,148	13,588	13,588	0
<i>Total Receipts</i>	<u>105,548</u>	<u>96,285</u>	<u>96,285</u>	<u>0</u>
Disbursements				
Current:				
Public Works	179,614	3,388	3,388	0
<i>Total Disbursements</i>	<u>179,614</u>	<u>3,388</u>	<u>3,388</u>	<u>0</u>
<i>Excess of Receipts Over / (Under) Disbursements</i>	<u>(74,066)</u>	<u>92,897</u>	<u>92,897</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(74,066)	92,897	92,897	0
<i>Fund Balance - Beginning of Year</i>	<u>74,066</u>	<u>74,066</u>	<u>74,066</u>	<u>0</u>
<i>Fund Balance - End of Year</i>	<u><u>\$0</u></u>	<u><u>\$166,963</u></u>	<u><u>\$166,963</u></u>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements

Washington Township, Scioto County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Sheriff Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$104,000	\$107,517	\$107,517	\$0
Intergovernmental	16,000	19,202	19,202	0
<i>Total Receipts</i>	<u>120,000</u>	<u>126,719</u>	<u>126,719</u>	<u>0</u>
Disbursements				
Current:				
Public Safety	144,289	126,358	126,358	0
<i>Total Disbursements</i>	<u>144,289</u>	<u>126,358</u>	<u>126,358</u>	<u>0</u>
<i>Excess of Receipts Over / (Under) Disbursements</i>	<u>(24,289)</u>	<u>361</u>	<u>361</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(24,289)	361	361	0
<i>Fund Balance - Beginning of Year</i>	<u>24,289</u>	<u>24,289</u>	<u>24,289</u>	<u>0</u>
<i>Fund Balance - End of Year</i>	<u>\$0</u>	<u>\$24,650</u>	<u>\$24,650</u>	<u>\$0</u>

See accompanying notes to the basic financial statements

Washington Township
Scioto County, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

Note 1 – Reporting Entity

Washington Township, Scioto County, Ohio (the Township), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly elected three-member Board of Trustees. The Township also has an elected Township Clerk.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

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, fire protection and ambulance services. Police protection is provided by the Scioto County Sheriff's Department.

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township. The Township had no component units.

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 basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Washington Township
Scioto County, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

Note 2 – Summary of Significant Accounting Policies (continued)

Government-Wide Financial Statements

The statement of net assets and the statement of activities 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 presents the cash balance of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for 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 fund 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. All funds of the Township are governmental funds. The Township has no proprietary or fiduciary funds.

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 Fund, Gas Fund, Road and Bridge Fund, Fire Fund, Ambulance Fund, Road Fund and Sheriff Fund.

The General 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.

The Gas Fund receives local government funding to provide for the construction, maintenance and repairing of Township roads and bridges.

Washington Township
Scioto County, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

Note 2 – Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

The Road and Bridge Fund receives property tax and local government funding to provide for the construction, maintenance and repairing of Township roads and bridges.

The Fire Fund receives property tax money to purchase fire equipment and provide fire protection to residents of the Township.

The Ambulance Fund receives property tax money to provide ambulatory service to residents of the Township.

The Road Fund receives special levy property tax and local government funding to provide for the construction, maintenance and repairing of Township roads and bridges.

The Sheriff Fund receives special levy property tax and local government funding to provide police protection for the residents of the Township.

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 expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the 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 fund level for all funds.

Washington Township
Scioto County, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

Note 2 – Summary of Significant Accounting Policies (continued)

D. Budgetary Process (continued)

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Clerk. 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 certificated of estimated resources in effect at the time final appropriations were passed by the Township.

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

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.”

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 2005 was \$7,481 and \$1,750 assigned to other Township funds. Interest receipts credited to the General Fund during 2004 was \$6,859 and \$1,565 assigned to other Township funds.

F. 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.

G. 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.

H. Accumulated Leave

Vacation and sick leave benefits are not accrued under the cash basis of accounting as previously described.

I. 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 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Washington Township
Scioto County, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

Note 2 – Summary of Significant Accounting Policies (continued)

J. Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

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 grants.

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. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. There were no fund balance reserves as of December 31, 2005 or 2004.

M. Interfund Transactions

Interfund transfers are reported as other financing sources/uses in governmental funds. Repayment from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented on the financial statements. In the government-wide financial statements, transfers within governmental activities are eliminated.

N. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. The Township had no extraordinary or special items for 2005 or 2004.

Note 3 – Change in Basis of Accounting

The Township has elected to present its financials statement in a format consistent with Governmental Accounting Standards Board (GASB) Statements No. 34, 37 and 38, "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.*" These statements create and amend new basic financial statements and note disclosure for reporting on the Township's financial activities. The financial statements now include government-wide financial statements and fund financial statements which present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. GASB Statement No. 34 require GAAP reporting, however the Township presented "look alike" statements on the cash basis of accounting.

Washington Township
Scioto County, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

Note 3 – Change in Basis of Accounting (continued)

The Township also implemented Governmental Accounting Standards Board (GASB) Statement No. 40, “Deposit and Investment Risk Disclosures”. GASB Statement No. 40 establishes and modifies disclosure requirements related to investment risks: credit risk (including custodial credit risk and concentrations of credit risk) and interest rate risk. This statement also establishes and modifies disclosure requirements for custodial credit risk on deposits. This statement applies to all state and local governments. The implementation of GASB Statement No. 40 had no effect on the Township’s financial statements.

Note 4 – 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 presented for the General, Gas, Road and Bridge, Fire, Ambulance, Road and Sheriff Funds is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements rather than as a reservation of fund balance. However no encumbrances were outstanding at either December 31, 2005 or 2004.

Note 5 – Deposits and Investments

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

Active monies 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.

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 other obligation guaranteed as to principal and interest by the United States;

Washington Township
Scioto County, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

Note 5 - Deposits and Investments (continued)

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. Time certificates of deposit or savings or 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).

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. Investments may only be made through specified dealers and institutions.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party. At 2005 year end, \$637,664 of the Township's bank balance of \$748,684 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name. At 2004 year end, \$505,457 of the Township's bank balance of \$616,413 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Washington Township
 Scioto County, Ohio
 Notes to the Financial Statements
 For the Years Ended December 31, 2005 and 2004

Note 6 – 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 2005 represent the collection of 2004 taxes. Real property taxes received in 2005 were levied after October 1, 2004, on the assessed values as of January 1, 2004, 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 2005 represent the collection of 2004 taxes. Public utility real and tangible personal property taxes received in 2005 became a lien on December 31, 2004, were levied after October 1, 2004, 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 2005 (other than public utility property) represent the collection of 2004 taxes. Tangible personal property taxes received in 2005 were levied after October 1, 2004, on the true value as of December 31, 2004. 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.

The full tax rate for all Township operations for the year ended December 31, 2005, was \$22.11 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2005 and 2004 property tax receipts were based are as follows:

	2004	2005
Real Property		
Residential/Agriculture	\$28,769,240	\$32,990,440
Commercial/Industrial/Mineral	1,713,770	2,283,470
Public Utility Property		
Real	16,790	16,660
Personal	2,460,920	2,698,310
Tangible Personal Property	1,088,580	904,630
Total Assessed Value	\$34,049,300	\$38,893,510

Washington Township
Scioto County, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

Note 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. During 2005 and 2004 the Township contracted with the Ohio Township Association Risk Management Authority (OTARMA), a risk sharing pool available to Ohio Townships. OTAMRA provides property and casualty coverage for its members. OTAMRA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTAMRA. OTAMRA pays judgments, settlements, and other expenses resulting from covered claims that exceed the members' deductibles.

OTARMA retains casualty risks up to \$250,000 per occurrence. Claims exceeding \$250,000 are reinsured with APEEP up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000 which the General Reinsurance Corporation will reinsure.

There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the past three years. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is based on accident history and administrative costs.

Note 8 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional 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 a 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 years ended December 31, 2005 and 2004, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The Township's contribution rate for pension benefits for 2005 and 2004 was 13.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the Township's pension contributions were 16.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

Washington Township
Scioto County, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

Note 8 – Defined Benefit Pension Plan (continued)

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2005, 2004, and 2003 were \$21,367, \$19,175, and \$17,066 respectively. The full amount has been contributed for 2005, 2004 and 2003.

Note 9 - Postemployment Benefits

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 2005 and 2004 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4.00 percent of covered payroll was the portion that was used to fund health care.

Ohio Public Employees Retirement System (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, 2004, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 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 between 1.00 and 6.00 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 376,109. Actual employer contributions for 2005 and 2004 which were used to fund postemployment benefits were \$12,924 and \$12,243, respectively. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) were \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 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. In addition to the HCPP, OPERS has taken additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCPP, member and employer rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

Washington Township
Scioto County, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004

Note 10 – Debt

A summary of the note transactions for the year ended December 31, 2005, follows:

	Interest Rate	Balance December 31, 2003	Additions	Reductions	Balance December 31, 2005
Building Demolition	5.57%	\$52,500	\$0	\$16,417	\$36,083
Dump Truck	3.73%	0	77,650	27,903	49,747
Air Tanks	2.97%	0	26,182	26,182	0
		<u>\$52,500</u>	<u>\$103,832</u>	<u>\$70,502</u>	<u>\$85,830</u>

On January 1, 2003, the Township took out a loan for \$70,000 to finance the demolition of an old high school in Township property. The loan is collateralized by the value of the land.

On November 9, 2004, the Township took out a loan for \$77,662 to finance the purchase of a new dump truck. The loan is collateralized by the value of the dump truck.

On February 18, 2004, the Township took out a loan for \$26,183 to finance the purchase of air tanks for the fire department. The loan is collateralized solely by the Township's taxing authority.

All bond proceeds had been spent at December 31, 2005.

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

Year	Principal	Interest
2006	\$28,456	\$3,561
2007	29,699	2,318
2008	20,501	1,019
2009	7,174	7,405
Totals	<u>\$85,830</u>	<u>\$14,303</u>

The Ohio Revised Code provides that net general obligation debt of the Township, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Township. The Revised Code further provides that total voted and unvoted net debt of the Township less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation. The effects of the debt limitations at December 31, 2005, were an overall debt margin of \$3,998,011 and an unvoted debt margin of \$388,935.

BALESTRA, HARR & SCHERER, CPAs, INC.

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Ohio Society of Certified Public Accountants

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Trustees
Washington Township
Scioto County, Ohio
520 Calverts Lane
Portsmouth, Ohio 45662

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Washington Township, Scioto County, Ohio (the Township), as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated May 30, 2006 wherein we noted the Township prepared its financial statements on a basis of accounting other than accounting principles generally accepted in the United States of America and revised its financial presentation to be comparable to the requirement of Governmental Accounting Standard Board Statements No. 34, 37, and 38 and implemented GASB Statement No. 40. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of audit findings as item 2005-001.

We also noted certain matters which we reported to management of the Township in a separate letter dated May 30, 2006.

Washington Township
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
Page 2

This report is intended solely for the information and use of the audit committee, management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in dark ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.
May 30, 2006

Washington Township
Scioto County, Ohio

Schedule of Findings
For the Years Ended December 31, 2005 and 2004

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2005-001

ORC Section 5705.41 (D) States in part that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that reserves the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be null and void and no warrant shall be issued in payment of any amount due thereon.

The following exceptions to this basic requirement are provided by statute:

Then and Now Certificate: This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

Amounts of less than \$3,000 may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

Many of the disbursements tested in 2005 and 2004 were not properly certified. There was no documentation that a "Then and Now" Certificate was used and subsequently approved by the Board of Township Trustees within the aforementioned 30-day time period.

The Township should ensure that no orders involving the expenditure of money be made unless the clerk has issued a purchase order or blanket certificate to certify that purchase.

Washington Township
Scioto County, Ohio

Schedule of Prior Audit Findings
For the Years Ended December 31, 2005 and 2004

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid;
2003-01	Ohio Revised Code Section 5705.41(D), not certifying availability of funds prior to incurring an obligation.	No	Not corrected. Reissued as Finding Number 2005-001.



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WASHINGTON TOWNSHIP

SCIOTO 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
SEPTEMBER 5, 2006**