



**WASHINGTON TOWNSHIP
LUCAS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2009



Mary Taylor, CPA
Auditor of State

WASHINGTON TOWNSHIP
LUCAS COUNTY

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Mary Taylor, CPA
Auditor of State

Washington Township
Lucas County
5714 Blessing Drive, P.O. Box 5133
Toledo, Ohio 43611-5133

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS 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. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

Mary Taylor, CPA
Auditor of State

December 7, 2009

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Washington Township
Lucas County
5714 Blessing Drive, P.O. Box 5133
Toledo, Ohio 43611-5133

To the Board of Trustees:

We have audited the accompanying financial statements of Washington Township, Lucas County, (the Township) as of and for the years ended December 31, 2008 and 2007. 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. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe 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.

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, 2008 and 2007 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, 2008 and 2007, 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, Lucas County, as of December 31, 2008 and 2007, 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 December 7, 2009, 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.



Mary Taylor, CPA
Auditor of State

December 7, 2009

**WASHINGTON TOWNSHIP
LUCAS COUNTY**

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

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Property and Other Local Taxes	\$71,344	\$776,857		\$848,201
Charges for Services		2,574		2,574
Licenses, Permits, and Fees	17,546	202		17,748
Fines and Forfeitures	7,311	36,465		43,776
Intergovernmental	118,377	347,999		466,376
Special Assessments	1,200	20,974		22,174
Earnings on Investments	13,624	813		14,437
Miscellaneous	13,977	16,567		30,544
	243,379	1,202,451		1,445,830
Cash Disbursements:				
Current:				
General Government	143,528	24,942		168,470
Public Safety		735,591		735,591
Public Works	809	213,499		214,308
Conservation - Recreation		35,037		35,037
Capital Outlay	1,456	196,133		197,589
Debt Service:				
Redemption of Principal		52,451		52,451
Interest and Other Fiscal Charges		13,236		13,236
	145,793	1,270,889		1,416,682
Total Receipts Over/(Under) Disbursements	97,586	(68,438)		29,148
Other Financing Receipts / (Disbursements):				
Transfers-In		2,854		2,854
Transfers-Out	(2,854)			(2,854)
Advances-In	40,000	40,000		80,000
Advances-Out	(40,000)	(40,000)		(80,000)
Other Financing Sources		3,500		3,500
	(2,854)	6,354		3,500
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	94,732	(62,084)		32,648
Fund Cash Balances, January 1	103,091	527,116	1,594	631,801
Fund Cash Balances, December 31	\$197,823	\$465,032	\$1,594	\$664,449

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

**WASHINGTON TOWNSHIP
LUCAS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property and Other Local Taxes	\$49,271	\$834,177		\$883,448
Licenses, Permits, and Fees	15,540	73		15,613
Fines and Forfeitures	8,982	13,466		22,448
Intergovernmental	69,819	209,218		279,037
Special Assessments		196		196
Earnings on Investments	18,140	1,056		19,196
Miscellaneous	4,870	19,562		24,432
	<u>166,622</u>	<u>1,077,748</u>		<u>1,244,370</u>
Cash Disbursements:				
Current:				
General Government	157,387	21,619		179,006
Public Safety	1,064	702,439		703,503
Public Works	468	200,092		200,560
Conservation - Recreation		48,511		48,511
Capital Outlay	100	59,230		59,330
Debt Service:				
Redemption of Principal		59,406		59,406
Interest and Other Fiscal Charges		13,882		13,882
	<u>159,019</u>	<u>1,105,179</u>		<u>1,264,198</u>
Total Receipts Over/(Under) Disbursements	<u>7,603</u>	<u>(27,431)</u>		<u>(19,828)</u>
Other Financing Receipts / (Disbursements):				
Sale of Fixed Assets	17,401			17,401
Advances-In	15,000	15,000		30,000
Advances-Out	(15,000)	(15,000)		(30,000)
Other Financing Sources		8,072		8,072
	<u>17,401</u>	<u>8,072</u>		<u>25,473</u>
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	25,004	(19,359)		5,645
Fund Cash Balances, January 1	<u>78,087</u>	<u>546,475</u>	<u>1,594</u>	<u>626,156</u>
Fund Cash Balances, December 31	<u>\$103,091</u>	<u>\$527,116</u>	<u>\$1,594</u>	<u>\$631,801</u>

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

**WASHINGTON TOWNSHIP
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

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 the Washington Township, Lucas 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, police protection, fire protection and emergency medical services. The Township contracts with Lucas County to provide ambulance services.

The Township participates in the Ohio Government Risk Management Plan public entity risk pool. Note 8 to the financial statements provides additional information for this entity.

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

B. Accounting Basis

These financial statements follow the accounting basis 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 the Auditor of State prescribes or permits.

C. Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

STAR Ohio is recorded at share values the mutual funds report.

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
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

2. Special Revenue Funds

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

Police Special Levy Fund - This fund receives property tax and fine money to equip and operate the Police Department.

Fire Special Levy Fund - This fund property tax money to equip and operate the Fire Department.

3. Capital Project Funds

These funds account for receipts restricted to acquiring equipment or constructing major capital projects (except those financed through enterprise or trust funds). The Township had the following significant Capital Project Fund:

Permanent Improvement Fund - This fund is to be used for improvements to the administration building.

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 object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2008 and 2007 budgetary activity appears in Note 3.

**WASHINGTON TOWNSHIP
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

F. Property, Plant, and Equipment

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. Equity in Pooled Deposits and Investments

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

	2008	2007
Demand deposits	\$88,864	\$140,653
STAR Ohio	575,585	491,148
Total deposits and investments	\$664,449	\$631,801

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

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

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2008 and 2007 follows:

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$216,000	\$243,379	\$27,379
Special Revenue	1,179,420	1,208,805	29,385
Total	\$1,395,420	\$1,452,184	\$56,764

**WASHINGTON TOWNSHIP
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

3. Budgetary Activity (Continued)

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$166,000	\$148,647	\$17,353
Special Revenue	1,520,553	1,270,889	249,664
Total	\$1,686,553	\$1,419,536	\$267,017

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$147,896	\$184,023	\$36,127
Special Revenue	1,084,180	1,085,820	1,640
Capital Projects	14,000		(14,000)
Total	\$1,246,076	\$1,269,843	\$23,767

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$168,506	\$159,019	\$9,487
Special Revenue	1,437,910	1,105,179	332,731
Capital Projects	15,594		15,594
Total	\$1,622,010	\$1,264,198	\$357,812

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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.

**WASHINGTON TOWNSHIP
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

5. Debt

Debt outstanding at December 31, 2008 was as follows:

	Principal	Interest Rate
2001 Cuprya-Jasik OPWC Loan	\$13,255	0%
2003 Raintree OPWC Loan	35,760	0%
2005 Point Pleasant OPWC Loan	54,537	0%
2006 Fullers Creekside OPWC Loan	63,328	0%
Shoreland Avenue Commercial Loan	109,451	4.34%
Total	\$276,331	

The 2001 Cuprya-Jasik OPWC loan relates to a subdivision road project in the Township. The OPWC approved \$84,438 interest free to be paid in semiannual installments for 10 years.

The 2003 Raintree OPWC loan relates to a Township road project. The OPWC approved \$89,400 interest free to be paid in semiannual installments for 10 years.

The 2005 Point Pleasant OPWC loan relates to a road project at Point Pleasant Cove. The OPWC approved \$68,172 interest free to be paid in semiannual installments for 20 years.

The 2006 Fullers Creekside OPWC loan relates to the Fullers Creekside Glen Roads project. The Township received \$202,938 from OPWC, of which \$84,438 was an interest-free loan, payable in semiannual installments for 10 years.

In October 2005, the Township entered into a promissory note agreement with Fifth Third Bank, in the amount of \$150,000, for the purchase of property on Shoreland Avenue, to be used to house the Township's fire department. The promissory note bears interest at a fixed annual rate equal to 4.34%, matures on October 15, 2012, and is payable in monthly installments with a balloon principal payment of \$52,329 at term's end.

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

	2001 Cuprya-Jasik OPWC	2003 Raintree OPWC	2005 Point Pleasant OPWC	2006 Fullers Creekside OPWC	Shoreland Avenue Commercial Loan
Year ending December 31:					
2009	\$3,314	\$4,470	\$1,704	\$4,221	\$18,540
2010	6,627	8,940	3,409	8,444	18,540
2011	3,314	8,940	3,409	8,444	18,540
2012		8,940	3,409	8,444	67,779
2013		4,470	3,409	8,444	
2014-2018			17,043	25,331	
2019-2023			17,043		
2024-2025			5,111		
Total	\$13,255	\$35,760	\$54,537	\$63,328	\$123,399

**WASHINGTON TOWNSHIP
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

6. Capital Lease – Lessee Disclosure

The Township entered into a capital lease agreement with E-One, Inc. for a Side-Mount Pumper fire truck on June 28, 2006. The lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee.

The lease term is 10 years, with annual lease payments of \$19,727, an interest rate of 5.4% per annum, commencing on July 6, 2007.

The following is a schedule of future minimum lease payments under the capital lease together with the present value of the net minimum lease payments as of December 31, 2008:

Year Ending December 31,	Capital Leases
2009	\$19,727
2010	19,727
2011	19,727
2012	19,727
2013	19,727
2014 – 2016	59,181
Minimum Lease Payments	157,816
Less amount representing interest at the Township's incremental borrowing rate of interest	(32,352)
Present value of minimum lease payments	\$125,464

7. Retirement System

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2008 and 2007, the Township's police officers contributed 10.1% of their wages. For 2008 and 2007, the Township contributed an amount equal to 17.4 and 17.17%, respectively. For 2008 and 2007, other OPERS members contributed 10 and 9.5%, respectively, of their gross salaries and the Township contributed an amount equaling 14 and 13.85%, respectively, of participants' gross salaries. The Township has paid all contributions required through December 31, 2008.

8. Risk Management

Risk Pool Membership

The Township belongs to the Ohio Government Risk Management Plan (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

**WASHINGTON TOWNSHIP
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

8. Risk Management (Continued)

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio. These coverage programs, referred to as Ohio Plan Risk management (“OPRM”), are developed specific to each member’s risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member’s exposure to loss, except OPRM retain 15% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had over 650 members as of December 31, 2008. The Township participates in this coverage.

In August, 2007, OGRMP formed the Ohio Plan Healthcare Consortium (“OPHC”), as authorized by Section 9.833 of the Ohio Revised Code. The OPHC was established to provide cost effective employee benefit programs for Ohio political sub-divisions and is a self-funded, group purchasing consortium that offers medical, dental, vision and prescription drug coverage as well as life insurance for its members. The OPHC is sold through seventeen appointed independent agents in the State of Ohio. Coverage programs are developed specific to each member’s healthcare needs and the related premiums for coverage are determined through the application of uniform underwriting criteria. Variable plan options are available to members. These plans vary primarily by deductibles, coinsurance levels, office visit co-pays and out-of pocket maximums. OPHC had 40 members as of December 31, 2008. The Township does not participate in this coverage.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member’s covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2008 and 2007, and include amounts for both OPRRM and OPHC:

	2008	2007
Assets	\$10,471,114	\$11,136,455
Liabilities	<u>(5,286,781)</u>	<u>(4,273,553)</u>
Members’ Equity	<u>\$5,184,333</u>	<u>\$6,862,902</u>

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan’s website, www.ohioplan.org.

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Mary Taylor, CPA

Auditor of State

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

Washington Township
Lucas County
5714 Blessing Drive, P.O. Box 5133
Toledo, Ohio 43611-5133

To the Board of Trustees:

We have audited the financial statements of the Washington Township, Lucas County, (the Township) as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated December 7, 2009, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

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

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

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

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

We noted a certain matter that we reported to the Township's management in a separate letter dated December 7, 2009.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note a certain noncompliance matter that we reported to the Township's management in a separate letter dated December 7, 2009.

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



Mary Taylor, CPA
Auditor of State

December 7, 2009

WASHINGTON TOWNSHIP
LUCAS COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2008 AND 2007

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-001	ORC 505.108 proceeds from the sale of unneeded, obsolete, or unfit-for-use Township property	No	Not corrected, re-issued in management letter.



Mary Taylor, CPA
Auditor of State

WASHINGTON TOWNSHIP

LUCAS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 5, 2010**