



**Auditor of State  
Betty Montgomery**



WAYNE TOWNSHIP  
AUGLAIZE COUNTY

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**Auditor of State  
Betty Montgomery**

Wayne Township  
Auglaize County  
P.O. Box 103  
Waynesfield, Ohio 45896

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 a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your Township 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 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.

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

**Betty Montgomery**  
Auditor of State

October 27, 2005

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Wayne Township  
Auglaize County  
P.O. Box 103  
Waynesfield, Ohio 45896

To the Board of Trustees:

We have audited the accompanying financial statements of Wayne Township, Auglaize County, (the "Township"), as of and for the years ended December 31, 2004 and 2003. 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.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. 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 the new GAAP presentation requirements. The Auditor of State permits, but does not require Townships to reformat their statements. The Township has elected not to reformat its statements. Since this Township does not use GAAP to measure financial statement amounts, 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.

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In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2004 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, 2004, or their changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Township, as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the year ended December 31, 2004. 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 October 27, 2004, 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.



**Betty Montgomery**  
Auditor of State

October 27, 2005



**WAYNE TOWNSHIP  
AUGLAIZE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$13,952	\$62,400	\$76,352
Intergovernmental	71,360	105,541	176,901
Charges for Services		21,945	21,945
Licenses, Permits, and Fees	366		366
Earnings on Investments	867	1,909	2,776
Miscellaneous	7	7,279	7,286
	<hr/>		
Total Cash Receipts	86,552	199,074	285,626
<hr/>			
<b>Cash Disbursements:</b>			
Current:			
General Government	43,388	2,367	45,755
Public Safety	188	66,502	66,690
Public Works		63,434	63,434
Health	8,116	6,881	14,997
Debt Service:			
Redemption of Principal		17,659	17,659
Interest and Fiscal Charges		2,375	2,375
Capital Outlay	9,640	112,849	122,489
	<hr/>		
Total Cash Disbursements	61,332	272,067	333,399
<hr/>			
Total Receipts Over/(Under) Disbursements	25,220	(72,993)	(47,773)
<hr/>			
<b>Other Financing Receipts:</b>			
Proceeds from Sale of Public Debt:		91,234	91,234
<hr/>			
Cash Receipts and Other Financing Receipts Over Cash Disbursements	25,220	18,241	43,461
<hr/>			
Fund Cash Balances, January 1	37,121	224,622	261,743
<hr/>			
<b>Fund Cash Balances, December 31</b>	<b>\$62,341</b>	<b>\$242,863</b>	<b>\$305,204</b>
<hr/> <hr/>			

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

**WAYNE TOWNSHIP  
AUGLAIZE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Local Taxes	\$13,874	\$46,106	\$59,980
Intergovernmental	32,062	78,294	110,356
Charges for Services		21,625	21,625
Licenses, Permits, and Fees	300		300
Earnings on Investments	272	1,203	1,475
Other Revenue		1,050	1,050
	<hr/>		
Total Cash Receipts	46,508	148,278	194,786
<hr/>			
<b>Cash Disbursements:</b>			
Current:			
General Government	40,891		40,891
Public Safety		38,921	38,921
Public Works		44,802	44,802
Health	4,200	9,097	13,297
Capital Outlay	5,373		5,373
	<hr/>		
Total Cash Disbursements	50,464	92,820	143,284
<hr/>			
Total Receipts Over/(Under) Disbursements	(3,956)	55,458	51,502
<hr/>			
<b>Other Financing Receipts:</b>			
Sale of Fixed Assets		1,510	1,510
<hr/>			
Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	(3,956)	56,968	53,012
<hr/>			
Fund Cash Balances, January 1	41,077	167,654	208,731
<hr/>			
<b>Fund Cash Balances, December 31</b>	<u>\$37,121</u>	<u>\$224,622</u>	<u>\$261,743</u>

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

**WAYNE TOWNSHIP  
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2004 AND 2004**

**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 Wayne Township, Auglaize County, (the "Township") as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements. 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. Cash 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. The Township had not investments during 2004 and 2003.

**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.

**2. Special Revenue Funds**

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

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

**Fire District Fund** – This fund receives property tax money for maintaining fire protection for the Township.

**Emergency Medical Services Fund** – This fund receives property tax money for maintaining emergency medical services for the Township.

**WAYNE TOWNSHIP  
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. 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 2004 and 2003 budgetary activity appears in Note 3.

**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.

**2. EQUITY IN POOLED CASH**

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

	<u>2004</u>	<u>2003</u>
Demand deposits	<u>\$305,204</u>	<u>\$261,743</u>

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

**WAYNE TOWNSHIP  
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2004 and 2003 follows:

**2004 Budgeted vs. Actual Receipts**

<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$45,818	\$86,552	\$40,734
Special Revenue	250,989	290,308	39,319
Total	<u>\$296,807</u>	<u>\$376,860</u>	<u>\$80,053</u>

**2004 Budgeted vs. Actual Budgetary Basis Expenditures**

<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$85,860	\$61,332	\$24,528
Special Revenue	465,865	272,067	193,798
Total	<u>\$551,725</u>	<u>\$333,399</u>	<u>\$218,326</u>

**2003 Budgeted vs. Actual Receipts**

<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$42,839	\$46,508	\$3,669
Special Revenue	134,590	149,788	15,198
Total	<u>\$177,429</u>	<u>\$196,296</u>	<u>\$18,867</u>

**2003 Budgeted vs. Actual Budgetary Basis Expenditures**

<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$85,966	\$50,464	\$35,502
Special Revenue	299,905	92,820	207,085
Total	<u>\$385,871</u>	<u>\$143,284</u>	<u>\$242,587</u>

During 2004 and 2003, the Township recorded some revenues and expenditures in the wrong funds which violated Ohio Rev. Code Section 5705.10.

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopt 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 August 20.

Public utilities are also taxed on personal and real property located within the Township. Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30. The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

**WAYNE TOWNSHIP  
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**5. DEBT**

Debt outstanding at December 31, 2004 was as follows:

	<b>Principal</b>	<b>Interest Rate</b>
Term Note	\$73,547	5.06%

On April 26, 2004, the Township entered into a Seven year note with Fifth Third Bank in the amount of \$91,234 at 5.06%, to finance the purchase of a new ambulance for the Township's EMS Department. The note is payable in seven annual installments with interest due semi-annually. The first payment was due during 2004.

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

<b>Year ending December 31:</b>	<b>Term Note</b>
2005	\$16,426
2006	15,766
2007	15,107
2008	14,447
2009	13,788
2010	8,621
Total	\$84,155

**6. RETIREMENT SYSTEMS**

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 8.5 percent of their gross salaries. The Township contributed an amount equaling 13.55 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2004.

**7. RISK MANAGEMENT**

**Risk Pool Membership**

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP).

Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**WAYNE TOWNSHIP  
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**7. RISK MANAGEMENT (Continued)**

**Casualty Coverage**

OTARMA retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Townships can elect additional coverage, from \$2,000,000 to \$10,000,000 from the General Reinsurance Corporation.

If losses exhaust OTARMA's retained earnings, APEEP covers OTARMA losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Coverage

OTARMA retains property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsures losses exceeding \$100,000 up to \$500,000,000 per occurrence. APEEP's Guarantee Fund pays losses and loss adjustment expenses exceeding operating contributions.

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

Financial Position

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

<u>Casualty Coverage</u>	<u>2004</u>	<u>2003</u>
Assets	\$30,687,203	\$27,792,223
Liabilities	<u>(13,640,962)</u>	<u>(11,791,300)</u>
Retained earnings	<u>\$17,046,241</u>	<u>\$16,000,923</u>

<u>Property Coverage</u>	<u>2004</u>	<u>2003</u>
Assets	\$7,799,073	\$6,791,060
Liabilities	<u>(753,906)</u>	<u>(750,956)</u>
Retained earnings	<u>\$7,045,167</u>	<u>\$6,040,104</u>

**WAYNE TOWNSHIP  
AUGLAIZE COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**8. RELATED PARTY TRANSACTIONS**

The Township has contracted with Turn-Er Green, a lawn care company, for cemetery sexton duties. The owner of Turn-Er Green is the husband of the Township's Clerk and a cousin of one of the Township's Trustees. The Township paid this company \$10,127 and \$8,465 for 2004 and 2003, respectively.

In addition, Turn-Er Green collected approximately \$3,100 and \$4,200, for 2004 and 2003 respectively, for the opening and closing of graves.

The Township has also contracted with Barn'ts Lawn Care Service, for the mowing of five small cemeteries. The owner of Barn't Lawn Care Service is a member of the Zoning Commission Board. The Township paid the contractor \$2,500 and \$3125 for 2004 and 2003, respectively.





**Auditor of State  
Betty Montgomery**

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

Wayne Township  
Auglaize County  
P.O. Box 103  
Waynesfield, Ohio 45896

To the Trustees:

We have audited the financial statements of Wayne Township, Auglaize County, (the "Township"), as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated October 27, 2005, wherein we noted the Township follows accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted the Government 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 because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. 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 to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Township's management dated October 27, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

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### **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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2004-01 and 2004-02. In a separate letter to the Township's management dated October 27, 2005, we reported another matter related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of the management, and the Board of Trustees. It is not intended for anyone other than these specified parties.



**Betty Montgomery**  
Auditor of State

October 27, 2004

**WAYNE TOWNSHIP  
AUGLAIZE COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2004 AND 2003**

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

**FINDING NUMBER 2004-001**

**Noncompliance Citation - Finding for Adjustment**

**Ohio Rev. Code Section 5705.10** states, in part, that all revenue derived from a source other than general property tax and which the law prescribes shall be used for a particular purpose is to be paid into a special fund for such purpose. During 2004 and 2003, the Township recorded homestead and rollback revenue belonging to the Special Revenue Road and Bridge Fund, the Fire Fund, and the Emergency Medical Services Fund in the General Fund. The revenue should have allocated to these funds in the same proportion as property tax levy receipts.

**Ohio Rev. Code Section 5705.10** further provides that money that is paid into a fund must be used only for the purposes for which such fund has been established. Based on an analysis of township expenditures for 2004, the Special Revenue Motor Vehicle License Tax Fund and the Special Revenue Gas Tax Fund were allocated the Special Revenue Road and Bridge Fund's share of the insurance premiums of the Trustees.

The Township has made the necessary adjustments to increase/decrease fund balances to properly reflect these amounts in the funds. The required adjustments had the following effect upon the respective funds:

Fund	2004	Amount
General	Decrease	(\$8,102)
Special Revenue Emergency Medical Services	Increase	4,255
Special Revenue Fire District	Increase	3,237
Special Revenue Road & Bridge	Decrease	(2,290)
Special Revenue Motor Vehicle License Tax	Increase	1,500
Special Revenue Gas Tax Fund	Increase	1,400
Fund	2003	Amount
General	Decrease	(\$2,920)
Special Revenue Emergency Medical Services	Increase	2,097
Special Revenue Fire District	Increase	527
Special Revenue Road & Bridge	Increase	296

The Township should implement review and monitoring procedures to help assure that revenues are recorded in the correct fund and line item, and that expenditures are charged and/or allocated to the correct funds and line items.

**FINDING NUMBER 2004-002**

**Noncompliance Citation**

**Ohio Rev. Code Section 507.04(A)** states, in pertinent part, that the township clerk shall keep an accurate record of the township's accounts and transactions.

The Township entered into a contract, without evidence of bidding or the soliciting of quotes, with Turn-Er Green Company for a cemetery sexton to open and close graves, pour footers for tombstones, place veteran's makers, and to mow and maintain the Willow Branch Cemetery and for the spraying of township roads. Turn-Er Green Company is operated by the Township Clerk's husband, who is also a relative of one of the Trustees. The contract agreement states that the Township will pay for these services, when invoiced, per the rate schedule that is approved at the beginning of each year. However, except for the mowing of the cemetery, Turn-Er Company collected the revenues associated with these services rather than billing the Township.

The approximate cemetery revenue collected by this company for the years 2004 and 2003 was \$3,100 and \$4,200, respectively.

The lack of proper procedures to monitor the cemetery activities could result in incorrect rates being charged, activity not being recorded on the financial statements and other accountability issues. Since the collection of cemetery revenue is the responsibility of the Township, and the revenue is considered public funds, all revenue associated with the cemetery should be deposited in the township treasury and recorded on the township books. In addition, the Trustees should be monitoring all activity of the Township, including the cemetery. Additionally, since this contract has not been bid or quotes obtained and there are related parties involved, the Township should contact the ethics commission regarding this activity.

**WAYNE TOWNSHIP  
AUGLAIZE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2002**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2002-001	ORC Sec. 117.28 - Finding for Recovery for EMS billings for 2002 and 2001	No	Finding has not been repaid by the Clerk.
2002-002	ORC Sec. 507.04 – The Clerk failed to record all financial activity of the Township cemetery	No	Repeated as finding 2004-002
2002-003	The Township should adopt formal procedures for EMS Billings and Collections	Yes	





**Auditor of State  
Betty Montgomery**

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**WAYNE TOWNSHIP**

**AUGLAIZE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
DECEMBER 6, 2005**