

**WAYNE TOWNSHIP  
CLERMONT COUNTY, OHIO**

**AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 2010**





# Dave Yost • Auditor of State

Board of Trustees  
Wayne Township  
6320 State Route 133  
Newtownsville, Ohio 45158

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

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

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

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

Dave Yost  
Auditor of State

May 15, 2012

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**WAYNE TOWNSHIP  
CLERMONT COUNTY, OHIO**

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# Bastin & Company, LLC

*Certified Public Accountants*

## **INDEPENDENT AUDITORS' REPORT**

The Honorable Members of the Board of Trustees  
Wayne Township, Ohio

We have audited the accompanying financial statements of Wayne Township, Clermont County, Ohio, (the Township) as of and for the year ended December 31, 2010. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 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 year ended December 31, 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2010, or its 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 Wayne Township, Clermont County, Ohio, as of December 31, 2010, 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 20, 2011, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

A handwritten signature in black ink that reads "Bastin & Company, LLC". The signature is written in a cursive style and is centered within a light gray rectangular box.

Cincinnati, Ohio  
December 20, 2011



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

	Governmental Fund Types			Totals
	General	Special Revenue	Capital Projects	(Memorandum Only)
<i>Cash Receipts:</i>				
Property and Local Taxes	\$ 86,346	\$ 591,477	\$ -	\$ 677,823
Intergovernmental Revenues	129,652	138,249	533,000	800,901
Charges for Services	-	123,039	-	123,039
Fines, Licenses and Permits	31,880	28,808	-	60,688
Earnings on Investments	9,111	298	-	9,409
Miscellaneous	10,614	24,309	-	34,923
Total Cash Receipts	<u>267,603</u>	<u>906,180</u>	<u>533,000</u>	<u>1,706,783</u>
<i>Cash Disbursements:</i>				
Current:				
General Government	207,963	106,141	-	314,104
Public Safety	-	592,035	-	592,035
Public Works	-	209,279	-	209,279
Public Health Services	-	26,157	-	26,157
Capital Outlay	5,877	22,939	518,616	547,432
Debt Service:				
Redemption of Principal	-	23,336	-	23,336
Interest and Fiscal Charges	-	590	-	590
Total Cash Disbursements	<u>213,840</u>	<u>980,477</u>	<u>518,616</u>	<u>1,712,933</u>
Receipts Over (Under) Disbursements	<u>53,763</u>	<u>(74,297)</u>	<u>14,384</u>	<u>(6,150)</u>
<i>Other Financing Receipts (Disbursements):</i>				
Transfers-In	-	11,250	-	11,250
Transfers-Out	(11,250)	-	-	(11,250)
Total Other Financing Receipts (Disbursements)	<u>(11,250)</u>	<u>11,250</u>	<u>-</u>	<u>-</u>
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	42,513	(63,047)	14,384	(6,150)
Fund Cash Balances, January 1, 2010	<u>249,927</u>	<u>609,534</u>	<u>-</u>	<u>859,461</u>
Fund Cash Balances, December 31, 2010	<u>\$ 292,440</u>	<u>\$ 546,487</u>	<u>\$ 14,384</u>	<u>\$ 853,311</u>

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

**WAYNE TOWNSHIP**  
**CLERMONT COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2010**

**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 Wayne Township, Clermont County, Ohio, (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 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**

Certificates of deposit are recorded as cash. The Township's accounting basis does not record disbursements for purchases or receipts for sales of certificates of deposit. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

**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 is the general operating fund. It is used to account for 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 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:

*EMS Services Fund* - This fund provides for EMS services and records the charges related to those services.

**WAYNE TOWNSHIP  
CLERMONT COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2010  
(continued)**

*Fire District Fund* - This fund receives local taxes to provide fire protection for the Township

*Road and Bridge Fund* - This fund receives local taxes to provide for road and bridge improvements.

**3. Capital Project Funds**

These funds are used to account for proceeds from specific sources for capital projects that are restricted to expenditure for specific purposes. The Township had the following significant Capital Project Fund:

*Permanent Improvement Fund* - This fund receives federal grant proceeds and records the charges related to the construction of a new firehouse.

**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. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

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

**3. Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2010 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.

**WAYNE TOWNSHIP  
CLERMONT COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2010  
(continued)**

**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.

**H. Total Columns on Financial Statements**

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Interfund type eliminations have not been made in the aggregation of this data.

**2. EQUITY IN POOLED CASH**

The Township maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31, 2010 was as follows:

Demand deposits	\$494,262
Certificates of deposit	<u>359,049</u>
Total deposits	<u>\$853,311</u>

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

**3. BUDGETARY ACTIVITY**

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

Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 259,222	\$ 267,603	\$ 8,381
Special Revenue	929,733	917,430	(12,303)
Capital Projects	960,000	533,000	(427,000)
Total	\$ 2,148,955	\$ 1,718,033	\$ (430,922)

Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 228,100	\$ 225,090	\$ 3,010
Special Revenue	1,032,882	980,477	52,405
Capital Projects	960,000	518,616	441,384
Total	\$ 2,220,982	\$ 1,724,183	\$ 496,799

**WAYNE TOWNSHIP**  
**CLERMONT COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2010**  
**(continued)**

Ohio Revised Code Section 5705.39 prohibits appropriations in excess of estimated resources. The Miscellaneous Special Revenue Fund had appropriations that exceeded estimated resources totaling \$10,766.

Ohio Revised Code Section 5705.36(A)(4) prohibits appropriations in excess of actual resources. The Ambulance & EMS and Cemetery #2 Funds had expenditures that exceeded appropriations totaling \$427,000 and \$245, respectively.

**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.

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.

**5. RETIREMENT SYSTEMS**

The Township's certified firefighters belong to the Ohio Police and Fire Pension Funds (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost sharing, multiple-employer plans. The Ohio Revised Code prescribes the plans' retirement benefits, including postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2010, OP&F participants contributed 10 percent of their wages. The Township contributed an amount equal to 24 percent of full-time fire fighter's wages. For 2010, OPERS' members contributed 10 percent of their gross wages and the Township contributed an amount equal to 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2010.

**6. DEBT**

There is no debt outstanding at December 31, 2010.

During the year, the Township retired \$23,336 of prior year outstanding loan balances related to purchases of a backhoe and an ambulance.

**WAYNE TOWNSHIP  
CLERMONT COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2010  
(continued)**

**7. TRANSFERS**

The Township transferred amounts from the General Fund to support activities in various Special Revenue Funds as follow:

<u>Fund</u>	<u>Amount</u>
Cemetery Fund #1	\$ 250
Zoning Fund	11,000

**8. RISK MANAGEMENT**

**Commercial Insurance**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

# Bastin & Company, LLC

*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***

The Honorable Members of the Board of Trustees  
Wayne Township, Ohio

We have audited the financial statements of Wayne Township, Clermont County, Ohio (the Township) as of and for the year ended December 31, 2010, and have issued our report thereon dated December 20, 2011, 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 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Internal Control Over Financial Reporting**

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider finding 2010-01 described in the accompanying schedule of findings to be a material weakness.

### **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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2010-02 and 2010-03.

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

We noted certain matters that we have reported to management of the Township in a separate letter dated December 20, 2011.

This report is intended solely for the information and use of management, Township Trustees, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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Cincinnati, Ohio  
December 20, 2011



# Bastin & Company, LLC

*Certified Public Accountants*

## **REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable Members of the Board of Trustees  
Wayne Township, Ohio

### **Compliance**

We have audited Wayne Township, Clermont County, Ohio's (the Township) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the Township's major federal programs for the year ended December 31, 2010. The Township's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Township's management. Our responsibility is to express an opinion on the Township's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Township's compliance with those requirements.

In our opinion, the Township complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

### **Internal Control Over Compliance**

Management of the Township is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Township's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be

prevented, or detected and corrected on a timely basis.

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

### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of Wayne Township, Clermont County, Ohio (the Township) as of and for the year ended December 31, 2010, and have issued our report thereon dated December 20, 2011, 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. Our audit was performed to form an opinion on the financial taken as a whole. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of management, Township Trustees, others within the entity, federal awarding agencies and pass-through entities 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 "Bastin & Company, L L C". The signature is written in black ink on a light-colored background.

Cincinnati, Ohio  
December 20, 2011

**WAYNE TOWNSHIP  
CLERMONT COUNTY, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB Circular A-133 § .505  
FOR THE YEAR ENDED DECEMBER 31, 2010**

<b>SUMMARY OF AUDITORS' RESULTS</b>
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Type of financial statement opinion	Unqualified
Were there any material control weaknesses reported at the financial statement level?	Yes
Were there any other significant deficiencies in internal control reported at the financial statement level?	No
Was there any reported material noncompliance reported at the financial statement level?	Yes
Were there any material internal control weaknesses reported for major federal programs?	No
Were there any other significant deficiencies in internal control reported for major federal programs?	No
Type of major programs' compliance opinion	Unqualified
Are there any reportable findings?	Yes
Major programs:	CFDA 97.115 ARRA – Assistance to Firefighters – Fire Station Construction Grants
Dollar threshold to distinguish between Type A/B programs	Type A: > \$300,000 other Type B: all other
Low risk auditee?	No

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2010-01**

Material Weakness

We identified misstatements in the financial statements that were not initially identified by the Township's internal control. Audit adjustments were necessary to correct the financial statements as follows:

- Errors involving the recording of interest earned on certificates of deposit during the year resulted in an understatement of earnings on investments for 2010 of \$1,251. The correction for 2010 interest when combined with \$8,051 of corrections related to interest corrections to beginning of the year balances

resulted in decreasing the fund cash balance in the General Fund by a net amount of \$6,800 as of December 31, 2010.

- Reclassification of receipts totaling \$34,480 that were initially recorded as miscellaneous or charges for services were made to properly report receipt activity to proper line items such as fines licenses and permits.
- Reclassification of expenditures totaling \$52,794 that were initially recorded as capital outlay were made to properly report expenditure activity to proper line items such as public works and debt principal and interest payments in various funds.

The presentation of materially correct financial statements is the responsibility of management. We recommend that the Township implement control procedures that enable management to identify, prevent, detect and correct potential misstatements in the financial statements.

**Township’s Response**

The Township will attempt to more closely monitor the recording of transactions in the future to ensure proper classification. The adjustments required to fund balances have been made to the financial records of the Township.

**FINDING NUMBER 2010-02**

Noncompliance Citation

Ohio Rev. Code, Section 5705.39 prohibits appropriations in excess of estimated resources. The following funds had appropriations that exceeded estimated resources:

Fund	Estimated Resources	Appropriations	Variance
2010:			
Miscellaneous Special Revenue Fund	\$1,641	\$12,417	(\$10,776)

**Township’s Response**

The Township will attempt to more closely monitor its compliance with the ORC in the future to ensure that appropriations are within total estimated resources available

**FINDING NUMBER 2010-03**

Noncompliance Citation

Ohio Revised Code Section 5705.36(A)(4) requires that when it is known that actual resources will be less than currently estimated resources, and the deficiency will reduce available resources below the current level of appropriation, an amended certificate of estimated resources should be obtained to reduce estimated resources available for appropriation. The following funds had estimated resources available that exceeded actual resources available, and the deficiency reduced available resources below the current level of appropriation:

Fund	Actual Resources	Appropriations	Variance
Ambulance & EMS	\$533,000	\$960,000	(\$427,000)
Cemetery #2	255	500	(245)

**Township's Response**

The Township will attempt to more closely monitor its compliance with the ORC in the future to ensure that appropriations are within total actual resources available.

<b>FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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None

**WAYNE TOWNSHIP  
CLERMONT COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Federal Grantor/ Program Title	Award Number	Federal CFDA Number	Expenditures
<b><u>U. S. DEPARTMENT OF HOMELAND SECURITY</u></b>			
Direct			
Assistance to Firefighters Grant - ARRA Fire Station Construction	EMW-2009-FC-00723R	97.115	\$ 518,615
Assistance to Firefighters Grant - Fire Grants	EMW-2008-FP-00095	97.044	34,412
<b>Total U.S. Department of Homeland Security</b>			<b><u>553,027</u></b>
<b>TOTAL FEDERAL AWARDS</b>			<b><u>\$ 553,027</u></b>

See notes to Schedule of Expenditures of Federal Awards.

**WAYNE TOWNSHIP  
CLERMONT COUNTY, OHIO  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedule of expenditures of federal awards is a summary of activity of the Township's federal award programs and has been prepared on the cash basis of accounting.

**NOTE B – MATCHING REQUIREMENTS**

Certain Federal programs require the Township contribute non-federal funds (matching funds) to support the federally-funded programs. The Township has complied with the matching requirements. The expenditure of non-federal matching funds is not included in the schedule.

**WAYNE TOWNSHIP  
CLERMONT COUNTY, OHIO  
SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2010**

Finding Number	Finding Summary	Fully Corrected?	Status Explanation:
2009-01	Audit adjustments	No	Condition existed during current audit period, reissued as finding 2010-01
2009-02	Appropriations exceeded estimated resources	No	Condition existed during current audit period, reissued as finding 2010-02
2009-03	Expenditures exceeded appropriations	Yes	Condition did not exist for 2010





# Dave Yost • Auditor of State

WAYNE TOWNSHIP

CLERMONT 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  
MAY 29, 2012