



**WAYNE TOWNSHIP  
MONROE COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**WAYNE TOWNSHIP  
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STATE OF OHIO  
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## REPORT OF INDEPENDENT ACCOUNTANTS

Wayne Township  
Monroe County  
34207 Barber Ridge Road  
Lewisville, Ohio 43754

To the Board of Trustees:

We have audited the accompanying financial statements of Wayne Township, Monroe County, Ohio, (the Township) as of and for the years ended December 31, 1999 and 1998. 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 generally accepted auditing standards 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 discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Wayne Township, Monroe County, as of December 31, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2000 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 grants.

This report is intended solely for the information and use of the management, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro".

**Jim Petro**  
Auditor of State

May 30, 2000



**WAYNE TOWNSHIP**  
**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND**  
**CHANGES IN FUND CASH BALANCES**  
**ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Fiduciary Fund</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$7,059			\$	\$7,059
Intergovernmental	20,151	\$60,106	\$6,088		86,345
Earnings on Investments	276	539		118	933
Other Revenue	220				220
Total Cash Receipts	<u>27,706</u>	<u>60,645</u>	<u>6,088</u>	<u>118</u>	<u>94,557</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	17,693				17,693
Public Safety	240				240
Public Works		84,218			84,218
Health	120				120
Debt Service:					
Redemption of Principal			4,360		4,360
Interest and Fiscal Charges			1,260		1,260
Total Cash Disbursements	<u>18,053</u>	<u>84,218</u>	<u>5,620</u>	<u>0</u>	<u>107,891</u>
Total Receipts Over/(Under) Disbursements	<u>9,653</u>	<u>(23,573)</u>	<u>468</u>	<u>118</u>	<u>(13,334)</u>
Fund Cash Balances, January 1	<u>2,640</u>	<u>41,199</u>	<u>0</u>	<u>2,439</u>	<u>46,278</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$12,293</u></b>	<b><u>\$17,626</u></b>	<b><u>\$468</u></b>	<b><u>\$2,557</u></b>	<b><u>\$32,944</u></b>

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

**WAYNE TOWNSHIP  
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
 CHANGES IN FUND CASH BALANCES  
 ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Fiduciary Fund</u>	
<b>Cash Receipts:</b>					
Local Taxes	\$6,051			\$	\$6,051
Intergovernmental	6,383	\$82,742	\$2,341		91,466
Earnings on Investments	106	464		115	685
Other Revenue	2,314				2,314
	<u>14,854</u>	<u>83,206</u>	<u>2,341</u>	<u>115</u>	<u>100,516</u>
<b>Total Cash Receipts</b>					
<b>Cash Disbursements:</b>					
Current:					
General Government	13,866				13,866
Public Safety	1,440				1,440
Public Works		49,842			49,842
Health	210				210
Debt Service:					
Redemption of Principal			1,719		1,719
Interest and Fiscal Charges			622		622
Capital Outlay		24,000			24,000
	<u>15,516</u>	<u>73,842</u>	<u>2,341</u>	<u>0</u>	<u>91,699</u>
<b>Total Cash Disbursements</b>					
<b>Total Receipts Over/(Under) Disbursements</b>	<u>(662)</u>	<u>9,364</u>	<u>0</u>	<u>115</u>	<u>8,817</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Proceeds from Sale of Public Debt:					
Sale of Notes	0	24,000	0	0	24,000
	<u>0</u>	<u>24,000</u>	<u>0</u>	<u>0</u>	<u>24,000</u>
<b>Total Other Financing Receipts/(Disbursements)</b>					
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>(662)</u>	<u>33,364</u>	<u>0</u>	<u>115</u>	<u>32,817</u>
<b>Fund Cash Balances, January 1</b>	<u>3,302</u>	<u>7,835</u>		<u>2,324</u>	<u>13,461</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$2,640</u></u>	<u><u>\$41,199</u></u>	<u><u>\$0</u></u>	<u><u>\$2,439</u></u>	<u><u>\$46,278</u></u>

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



**WAYNE TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Wayne Township, Monroe County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance, fire protection and emergency medical services. The Township contracts with the Village of Lewisville and Village of Graysville's Volunteer Fire Departments to provide fire services and ambulance services.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

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

**C. Fund Accounting**

The Township uses fund accounting to segregate cash that is 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 are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Motor Vehicle License Tax Fund - This fund receives motor vehicle tax money for constructing, maintaining and repairing Township roads and bridges.

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

FEMA Fund - This fund receives money from the Federal Emergency Management Agency to provide flood relief to the Township.

**WAYNE TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

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

**C. Fund Accounting (Continued)**

**3. Debt Service Funds**

The debt service fund is used to accumulate resources for the payment of note indebtedness. The Township had the following significant Debt Service Fund:

Note Retirement Fund - This fund receives gasoline tax money to pay principal and interest on the outstanding note debt.

**4. Fiduciary Funds (Trust and Agency Funds)**

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

Sloan Cemetery Trust Fund - This fund was established to account for a bequest. This fund receives interest revenue to be used for the specified purposes of the trust.

**D. 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 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 need to be reappropriated in the subsequent year.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

**E. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**WAYNE TOWNSHIP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$30,644	\$43,978
Certificates of deposit	2,300	2,300
Total deposits	\$32,944	\$46,278

**Deposits:** Deposits are either (1) insured by the Federal Deposit Insurance Corporation, or (2) collateralized by the financial institutions public entity deposit pool.

**3. BUDGETARY ACTIVITY**

Budgetary Activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$26,911	\$27,706	\$795
Special Revenue	57,692	60,645	2,953
Debt Service	5,619	6,088	469
Fiduciary	121	118	(3)
Total	\$90,343	\$94,557	\$4,214

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$29,551	\$18,053	\$11,498
Special Revenue	98,891	84,218	14,673
Debt Service	5,620	5,620	0
Fiduciary	259	0	259
Total	\$134,321	\$107,891	\$26,430

**WAYNE TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$14,918	\$14,854	(\$64)
Special Revenue	108,713	107,206	(1,507)
Debt Service	2,341	2,341	0
Fiduciary	121	115	(6)
Total	\$126,093	\$124,516	(\$1,577)

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$18,220	\$15,516	\$2,704
Special Revenue	114,107	73,842	40,265
Debt Service	2,341	2,341	0
Fiduciary	144	0	144
Total	\$134,812	\$91,699	\$43,113

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

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. DEBT**

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Business Loan	\$18,292	6.000%

The business loan was issued to finance the purchase of a new tractor and mower to be used for Township maintenance. The business loan is collateralized by the tractor and mower.

**WAYNE TOWNSHIP  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**5. DEBT (Continued)**

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

Year ending December 31:	Business Loan
2000	\$5,619
2001	5,619
2002	5,619
2003	3,543
Total	\$20,400

**6. RETIREMENT SYSTEMS**

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

**7. RISK MANAGEMENT**

The Township has obtained commercial insurance for the following risks:

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

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Wayne Township  
Monroe County  
34207 Barber Ridge Road  
Lewisville, Ohio 43754

To the Board of Trustees:

We have audited the accompanying financial statements of Wayne Township, Monroe County, Ohio, (the Township) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated May 30, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

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 grants, 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 no instance of noncompliance that is required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Township in a letter dated May 30, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Township in a separate letter dated May 30, 2000.

Wayne Township  
Monroe County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

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

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

May 30, 2000





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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**WAYNE TOWNSHIP**

**MONROE 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  
AUGUST 10, 2000**