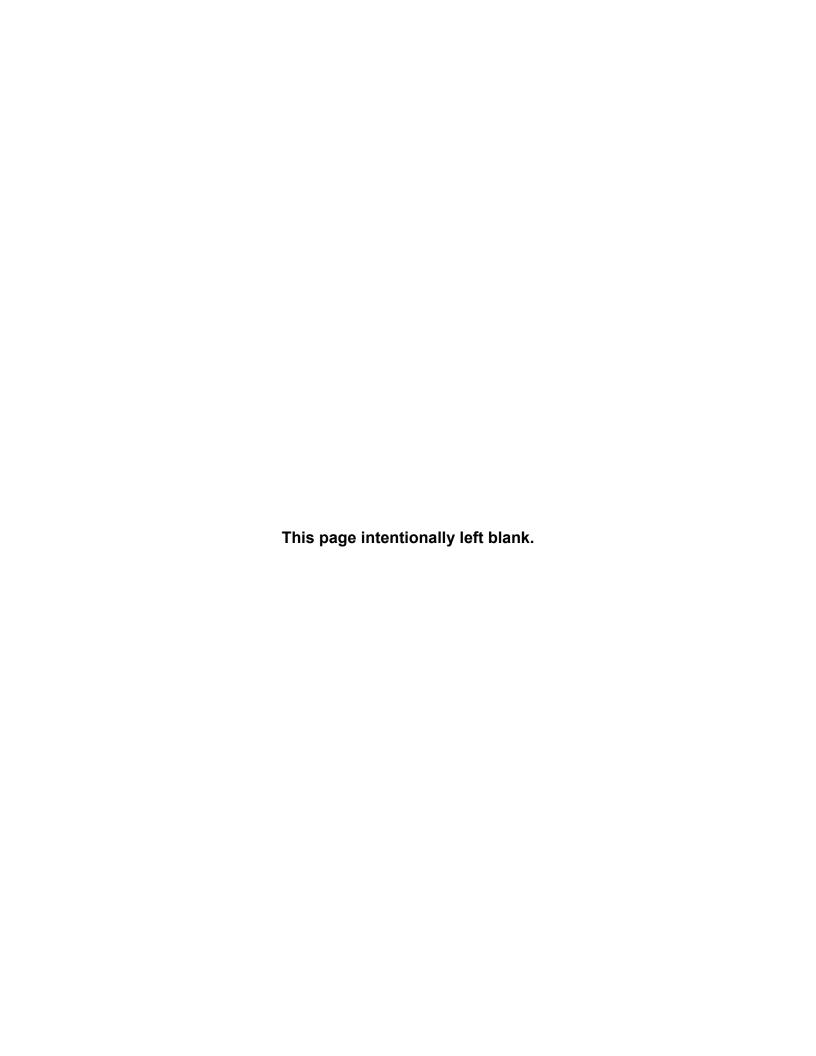




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#### REPORT OF INDEPENDENT ACCOUNTANTS

Wayne Township Monroe County 34207 Barber Ridge Rd. 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, 2001 and 2000. 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 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, 2001 and 2000, 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 June 17, 2002, 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Wayne Township Monroe County Report of Independent Accountants Page 2

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

**Jim Petro** Auditor of State

June 17, 2002

# 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, 2001

	Governmental Fund Types			_	
	General	Special Revenue	Debt Service	Fiduciary Funds	Totals (Memorandum Only)
Cash Receipts: Local Taxes Intergovernmental Earnings on Investments Other Revenue	\$ 6,848 17,351 96 333	\$ 51,934 120	\$ 5,151	\$ 291	\$ 6,848 74,436 507 333
Total Cash Receipts	24,628	52,054	5,151	291	82,124
Cash Disbursements: Current: General Government Public Safety Public Works Health Debt Service: Redemption of Principal Interest and Fiscal Charges	26,986 1,440 350	48,587	4,903 716		26,986 1,440 48,587 350 4,903 716
Total Cash Disbursements	28,776	48,587	5,619	0	82,982
Total Cash Receipts Over/(Under) Cash Disbursements	(4,148)	3,467	(468)	291	(858)
Other Financing Receipts and (Disbursements): Transfers-In Transfers-Out Other Sources	669	404		(669)	669 (669) 404
Total Other Financing Receipts/(Disbursements)	669	404	0	(669)	404
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements Fund Cash Balances, January 1	(3,479) 4,531	3,871 7,572	(468) 468	(378) 5,741	(454) 18,312
Fund Cash Balances, December 31	\$ 1,052	\$ 11,443	\$ -	\$ 5,363	\$ 17,858

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

# 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, 2000

	Governmental Fund Types			_	
	General	Special Revenue	Debt Service	Fiduciary Funds	Totals (Memorandum Only)
Cash Receipts: Local Taxes Intergovernmental Gifts and Donations Earnings on Investments Other Revenue	\$ 7,022 18,656 111 395	\$ - 54,280 289	\$ - 5,619	\$ - 3,060 124	\$ 7,022 78,555 3,060 524 395
Total Cash Receipts	26,184	54,569	5,619	3,184	89,556
Cash Disbursements: Current: General Government Public Safety Public Works Debt Service: Redemption of Principal Interest and Fiscal Charges Capital Outlay	32,292 1,440 2,314	52,038	4,577 1,042		32,292 1,440 52,038 4,577 1,042 14,899
Total Cash Disbursements	36,046	64,623	5,619	0	106,288
Total Cash Receipts Over/(Under) Cash Disbursements	(9,862)	(10,054)	0	3,184	(16,732)
Other Financing Receipts and (Disbursements): Sale of Fixed Assets	2,100				2,100
Total Other Financing Receipts/(Disbursements)	2,100	0	0	0	2,100
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements Fund Cash Balances, January 1	(7,762) 12,293	(10,054) 17,626	0 468	3,184 2,557	(14,632) 32,944
Fund Cash Balances, December 31	\$ 4,531	\$ 7,572	\$ 468	\$ 5,741	\$ 18,312

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

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2001 AND 2000

#### 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 road and bridge maintenance, cemetery 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 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. 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 prescribed or permitted by the Auditor of State.

## C. Cash

Certificates of deposit are valued at cost.

## D. 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 Fund:

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

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2001 AND 2000 (Continued)

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

## D. 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 Funds)

These funds are used to account for resources restricted by legally binding trust agreements. The Township had the following significant fiduciary funds:

Sloan Cemetery Trust Fund 1 – This fund was established to account for a bequest and receives interest and donations to be used for the care of Sloan Cemetery.

Sloan Cemetery Trust Fund 2 – This fund was established to account for a bequest and receives interest and donations to be used for the care of Sloan Cemetery.

## 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 2001 and 2000 budgetary activity appears in Note 3.

# NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2001 AND 2000 (Continued)

# 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

# F. 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.

## 2. EQUITY IN POOLED CASH

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

	2001	2000
Demand deposits	\$12,498	\$12,952
Certificates of deposit	5,360_	5,360
Total deposits	\$17,858	\$18,312

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation.

#### 3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2001 and 2000, follows:

2001 Budgeted vs. Actual Receipts

	Budgeted	Actual	
Fund Type	Receipts	Receipts	Variance
General	\$25,414	\$25,297	(\$117)
Special Revenue	54,232	52,458	(1,774)
Debt Service	5,619	5,151	(468)
Fiduciary	414	291	(123)
Total	\$85,679	\$83,197	(\$2,482)

2001 Budgeted vs. Actual Budgetary Basis Expenditures

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	Appropriation	Budgetary	
Fund Type	Authority	Expenditures	Variance
General	\$29,638	\$28,776	\$862
Special Revenue	60,805	48,587	12,218
Debt Service	6,088	5,619	469
Fiduciary	669	669	0
Total	\$97,200	\$83,651	\$13,549

# NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2001 AND 2000 (Continued)

#### 3. **BUDGETARY ACTIVITY (Continued)**

	Budgeted	Actual	
Fund Type	Receipts	Receipts	Variance
General	\$28,107	\$28,284	\$177
Special Revenue	51,881	54,569	2,688
Debt Service	5,619	5,619	0
Fiduciary	3,283	3,184	(99)
Total	\$88,890	\$91,656	\$2,766

2000 Budgeted vs. Actual Budgetary Basis Expenditures

	Appropriation	Budgetary	
Fund Type	Authority	Expenditures	Variance
General	\$40,399	\$36,046	\$4,353
Special Revenue	69,507	64,623	4,884
Debt Service	6,088	5,619	469
Fiduciary	379	0	379
Total	\$116,373	\$106,288	\$10,085

#### 4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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, 2001, was as follows:

	Principal	Interest Rate
General Obligation Note	\$8,440	4.75%

The general obligation note was obtained to finance the purchase of a new tractor and mower to be used for Township road maintenance. The general obligation note is collateralized solely by the Township's taxing authority.

# NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2001 AND 2000 (Continued)

# 5. DEBT (Continued)

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

	General
	Obligation
Year ending December 31:	Note
2002	\$5,619
2003	3,154
Total	\$8,773

#### 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 provides 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 2001 and 2000, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Township has paid all contributions required through December 31, 2001.

#### 7. RISK MANAGEMENT

#### **Commercial Insurance**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability; and
- Vehicles.

The Township is uninsured for the following risks:

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 Rd. 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, 2001 and 2000, and have issued our report thereon dated June 17, 2002. 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.

## 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2001-41056-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated June 17, 2002.

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

In planning and performing our audit, we considered the 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 other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated June 17, 2002.

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

Jim Petro Auditor of State

June 17, 2002

## SCHEDULE OF FINDINGS DECEMBER 31, 2001 AND 2000

# FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

#### **FINDING NUMBER 2001-41056-001**

#### Finding For Recovery - Repaid Under Audit

Ohio Rev. Code Section 505.602 states the Board of Trustees may pay all or any part of the cost of group life insurance to insure the lives of officers and full-time employees of the Township. The amount of group life insurance coverage provided by the board to insure the lives of officers of the township shall not exceed fifty thousand dollars per officer.

The Township paid premiums for an individual life insurance policy for the Township Clerk, in addition to the group insurance life insurance policy paid for by the Township. The total premium paid for the Township Clerk's individual life insurance policy in 2001 and 2000 was nine hundred twenty-eight dollars and eighty cents (\$928.80).

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for monies illegally expended is hereby issued against Mary Jo Westfall, Wayne Township Clerk, and the Personal Service Insurance Company, Ms. Westfall's bonding company, jointly and severally, in the amount of nine hundred twenty-eight dollars and eighty cents (\$928.80), in favor of the Wayne Township General Fund.

The nine hundred twenty-eight dollars and eighty cents \$928.80 was returned to Wayne Township's General Fund on May 31, 2002, on duplicate receipt number 32-02.



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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.

**CLERK OF THE BUREAU** 

Susan Babbitt

CERTIFIED AUGUST 1, 2002