

WAYNE TOWNSHIP

DARKE COUNTY

REGULAR AUDIT

FOR THE FISCAL YEARS ENDED DECEMBER 31, 2007 AND 2006

YEARS AUDITED UNDER GAGAS: 2007 AND 2006

CAUDILL & ASSOCIATES CPA's.

725 5TH Street
Portsmouth, Ohio 45662



Mary Taylor, CPA

Auditor of State

Board of Trustees
Wayne Township
P.O. Box 205
Versailles, Ohio 45380

We have reviewed the *Independent Auditor's Report* of Wayne Township, Darke County, prepared by Caudill & Associates, CPA's, for the audit period January 1, 2006 through December 31, 2007. 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.

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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

March 18, 2008

This Page is Intentionally Left Blank.

**WAYNE TOWNSHIP
DARKE COUNTY**

TABLE OF CONTENTS

TITLE	Page
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis	3-8
Financial Statements:	
2007 Government-Wide Financial Statements:	
Statement of Net Assets-Cash Basis (2007)	9
Statement of Activities-Cash Basis (2007).....	10
2006 Government-Wide Financial Statements:	
Statement of Net Assets-Cash Basis (2006)	11
Statement of Activities-Cash Basis (2006).....	12
2007 Fund Financial Statements:	
Statement of Assets and Fund Balances-Cash Basis-Governmental Funds	13
Statement of Cash Receipts, Disbursements and Changes in Fund Balances-Cash Basis-Governmental Funds.....	14
Statement of Cash Receipts, Disbursements and Changes in Fund Balance-Budget (Budgetary Basis) and Actual-General Fund	15
Statement of Cash Receipts, Disbursements and Changes in Fund Balance-Budget (Budgetary Basis) and Actual – Gasoline Tax Fund	16
Statement of Cash Receipts, Disbursements and Changes in Fund Balance-Budget (Budgetary Basis) and Actual – Road and Bridge Fund.....	17
Statement of Cash Receipts, Disbursements and Changes in Fund Balance-Budget (Budgetary Basis) and Actual – Fire District Levy Fund	18
Statement of Cash Receipts, Disbursements and Changes in Fund Balance-Budget (Budgetary Basis) and Actual – Permissive Motor Vehicle License Tax Fund	19

2006 Fund Financial Statements:

Statement of Assets and Fund Balances-Cash Basis-Governmental Funds	20
Statement of Cash Receipts, Disbursements and Changes in Fund Balances-Cash Basis-Governmental Funds.....	21
Statement of Cash Receipts, Disbursements and Changes in Fund Balance-Budget (Budgetary Basis) and Actual-General Fund.....	22
Statement of Cash Receipts, Disbursements and Changes in Fund Balance-Budget (Budgetary Basis) and Actual – Gasoline Tax Fund	23
Statement of Cash Receipts, Disbursements and Changes in Fund Balance-Budget (Budgetary Basis) and Actual – Road and Bridge Fund	24
Statement of Cash Receipts, Disbursements and Changes in Fund Balance-Budget (Budgetary Basis) and Actual – Fire District Levy Fund	25
Statement of Cash Receipts, Disbursements and Changes in Fund Balance-Budget (Budgetary Basis) and Actual – Permissive Motor Vehicle License Tax Fund	26
Notes to the Financial Statements	27-39
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	40

Caudill & Associates, CPA's

725 5th Street
Portsmouth, OH 45662

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants
Kentucky Society of Certified Public Accountants

Independent Auditor's Report

Board of Trustees
Wayne Township
Darke County
P.O. Box 212
Versailles, Ohio 45369

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Wayne Township (The Township), Darke County, Ohio, as of and for the years ended December 31, 2007 and 2006. 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 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 2, the Township has prepared these financial statements and notes, using the cash basis of accounting. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position-cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of Wayne Township, Darke County, Ohio as of December 31, 2007, and 2006, and the respective changes in financial position-cash basis and the respective budgetary comparisons for the General Fund, the Gasoline Tax Fund, the Road and Bridge Fund, the Fire District Fund and the Permissive Motor Vehicle License Fund thereof and for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2008, 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 assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 8 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

As stated in Note 3, the Township implemented GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, and GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*.

Caudill & Associates, CPAs

Caudill & Associates, CPAs

January 31, 2008

Wayne Township – Darke County
Management’s Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

This management discussion and analysis of the Wayne Township, Darke County, and financial performance provides an overall review of the Township’s financial activities for the years ended December 31, 2007 and December 31, 2006, within the limitations of the Township’s cash basis accounting. Readers should also review the financial statements and notes to enhance their understanding of the Township’s financial performance.

Key financial highlights for the fiscal year 2007 and 2006 are as follows:

- Net assets of governmental activities increased \$92,223 or 35.94% in 2007 and \$7,272 or 2.92% in 2006.
- General cash receipts accounted for \$237,016 or 70.32% of all cash receipts in 2007, and \$189,943 or 65.73% in 2006. Program cash receipts in the form of charges for services, grants, and contributions, accounted for \$100,835 or 29.68% in 2007, and \$99,648 or 34.27% in 2006.
- The Township had \$245,628 and \$282,319 in cash disbursements related to governmental activities in 2007 and 2006 respectively; only \$100,835 and \$99,648 of these cash disbursements, respectively, were offset by program specific charges for services, grants, and contributions.

Using the Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township’s cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Government as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Wayne Township – Darke County
Management’s Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township’s cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Township as a Whole

The statement of net assets and the statement of activities reflect how the Township did financially during 2007 and 2006, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Government at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program’s goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Township’s general receipts.

These statements report the Township’s cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township’s financial health. Over time, increases or decreases in the Township’s cash position is one indicator of whether the Township’s financial health is improving or deteriorating. When evaluating the Township’s financial condition, one should also consider other non-financial factors as well such as the Township’s property tax base, the condition of the Township’s capital assets and infrastructure, the extent of the Township’s debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

In the statement of net assets and the statement of activities, the Township has one type of activity:

Governmental activities: Most of the Township’s basic services are reported here, including road maintenance, and fire protection. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Wayne Township – Darke County
Management’s Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

Reporting the Township’s Most Significant Funds

Fund financial statements provide detailed information about the Township’s major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The Township’s only funds are governmental funds.

Governmental Funds - All of the Township’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The governmental fund statements provide a detailed short-term view of the Township’s general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer cash basis financial resources that can be spent in the near future to finance educational programs. Since the Township is reporting on the cash basis of accounting, there are no differences in the Net Assets and fund cash balances or changes in Net Assets and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements. See Note 2 to the financial statements in the section entitled *Government-Wide Financial Statements*.

The Government as a Whole

Table 1 provides a summary of the Government’s net assets for 2007 compared to 2006 and 2005 on a cash basis:

(Table 1)
Net Assets

	Governmental Activities		
	2007	2006	2005
Assets			
Cash and Cash Equivalents	\$ 318,833	\$ 176,610	\$ 249,338
Investments	30,000	80,000	-
Total Assets	348,833	256,610	249,338
Net Assets			
Restricted for:			
Other Purposes	249,924	213,165	201,833
Unrestricted	98,909	43,445	47,505
Total Net Assets	\$ 348,833	256,610	\$ 249,338

As mentioned previously, net assets of governmental activities increased \$92,223 or 35.94% percent, and \$7,272 or 2.92%, in 2007 and 2006 respectively. Net assets increased in 2007 mainly due to increased grant revenues from the State and the County.

Wayne Township – Darke County
Management’s Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

Table 2 reflects the changes in net assets in 2007, 2006 and 2005.

(Table 2)
Changes in Net Assets

	Governmental Activities		
	2007	2006	2005
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$ 806	\$ 607	\$ 13,853
Operating Grants and Contributions	100,029	99,041	88,226
Capital Grants and Contributions	-	-	8,811
Total Program Receipts	<u>100,835</u>	<u>99,648</u>	<u>110,890</u>
General Receipts:			
Property and Other Local Taxes	152,270	147,498	121,791
Grants and Entitlements Not Restricted to Specific Programs	75,248	38,175	38,383
Interest	8,116	3,154	2,113
Miscellaneous	1,382	1,116	1,426
Total General Receipts	<u>237,016</u>	<u>189,943</u>	<u>163,713</u>
Total Receipts	<u>337,851</u>	<u>289,591</u>	<u>274,603</u>
Disbursements:			
General Government	80,598	99,823	113,227
Public Safety	673	635	610
Public Health Services	13,767	12,031	11,606
Public Works	150,590	169,830	156,907
Capital Outlay	-	-	11,828
Total Disbursements	<u>245,628</u>	<u>282,319</u>	<u>294,178</u>
Increase (Decrease) in Net Assets	<u>92,223</u>	<u>7,272</u>	<u>(19,575)</u>
Beginning Net Assets (Restated - See Note 3)	256,610	249,338	268,913
Net Assets, End of Year	<u>\$ 348,833</u>	<u>\$ 256,610</u>	<u>\$ 249,338</u>

Program receipts represent only 29.85% and 34.41% of total receipts in 2007 and 2006 respectively, and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, and Emergency Management Services under contract.

General receipts represent 70.15% and 65.59% of the Township’s total receipts in 2007 and 2006 respectively, and of this amount, 64.24% and 77.65% are local taxes.

Wayne Township – Darke County
Management’s Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

State and federal grants and entitlements make up the balance of the Government’s general receipts (31.75% and 20.01% for 2007 and 2006 respectively). Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Township and the support services provided for the other Government activities. These include the costs of Trustees, Clerk, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, we try to limit these costs.

Public Works costs, which, account for the Township’s maintenances of roads, bridges, etc., represent the largest of the Township’s cash disbursements, 61.30% and 60.15% in 2007 and 2006, respectively.

The Statement of Activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. Table 3 (next) shows the total cost of services and the net cost of services. That is, it identifies the cost of those services supported by tax revenue and unrestricted state entitlements

(Table 3)

	Governmental Activities			
	Total Cost Of Services	Net Cost of Services	Total Cost Of Services	Net Cost of Services
	2007	2007	2006	2006
General Government	\$ 80,598	\$ 80,598	\$ 99,823	\$ 99,823
Public Safety	673	673	635	635
Public Work	150,590	49,755	169,830	70,182
Public Health	13,767	13,767	12,031	12,031
Total Expenses	\$ 245,628	\$ 144,793	\$ 282,319	\$ 182,671

The dependence upon property and income tax receipts is apparent as over 58.94%, and 64.70% of governmental activities for 2007 and 2006 respectively, are supported through these general receipts.

The Government’s Funds

Total governmental fund had receipts of \$337,851 and \$289,591 in 2007 and 2006 respectively, and had disbursements of \$245,628 and \$282,319 in 2007 and 2006 respectively.

In Fiscal year 2007, the greatest change within governmental funds occurred within the General Fund, and the Gasoline Tax Fund.

During that year, the fund balance of the General Fund increased \$55,463 as the result of increased tax revenues and estate tax received by the Township

The Gasoline Tax fund balance increased \$19,379 fueled by the decrease in public works expenditures, while its revenues increased slightly by \$4,958, or 5.71%.

Wayne Township – Darke County
Management’s Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

In Fiscal year 2006, major changes in fund balances occurred within the Gasoline Tax Fund, and the Road and Bridge Fund.

The Gasoline Tax Fund balance decreased \$15,754 to \$65,042, mainly because of reduced intergovernmental receipts.

The Road and Bridge Fund balance increased \$8,795 to \$70,522, fueled by reduced public works expenditures.

General Fund Budgeting Highlights

The Township’s budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2007, there were no changes in the original budget and the final budget.

Final disbursements for 2007 were budgeted at \$120,935, while actual disbursements were \$58,942
Final disbursements for 2006 were budgeted at \$123,692, while actual disbursements were \$78,703.
The Township disbursed 48.74%, and 63.63% of budgeted expenditures in 2007 and 2006 respectively.
The Township kept disbursements below budgeted expenditures as required by the Ohio Revised Code.

Capital Assets and Debt Administration

Capital Assets

The Township does not record capital assets in the accompanying financial statements, but records payments for capital assets as disbursements. No capital outlay disbursements existed in 2007 and 2006.

Debt

The Township has no debt.

Current Issues

The challenge for all Governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base. Our newly prepared financial forecast predicts a balanced budget each of the next several years if there are no decreases in the property taxes and no cuts in the Local Government funds, which are now being received as the Trustees have been very prudent in their planning and spending and have not had any debts in several years.

Contacting the Government’s Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township’s finances and to reflect the Township’s accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Teresa Slonkosky, Clerk, Wayne Township, Darke County, P.O. Box 205 Versailles, Ohio 45380.

Wayne Township - Darke County

Statement of Net Assets - Cash Basis

December 31, 2007

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 318,833
Investments	<u>30,000</u>
<i>Total Assets</i>	<u><u>348,833</u></u>
Net Assets	
Restricted for:	
Other Purposes	249,924
Unrestricted	<u>98,909</u>
<i>Total Net Assets</i>	<u><u>\$ 348,833</u></u>

See accompanying notes to the financial statements

Wayne Township - Darke County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2007

	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Change in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	
Governmental Activities				
General Government	\$ 80,598	\$ -	\$ -	\$ (80,598)
Public Safety	673	-	-	(673)
Public Works	150,590	806	100,029	(49,755)
Health	13,767	-	-	(13,767)
<i>Total Governmental Activities</i>	<u>\$ 245,628</u>	<u>\$ 806</u>	<u>\$ 100,029</u>	<u>\$ (144,793)</u>

General Receipts

Property Taxes Levied for:	
General Purposes	152,270
Grants and Entitlements not Restricted	75,248
Proceeds from the Sale of Notes	-
Interest	8,116
Miscellaneous	1,382
<i>Total General Receipts</i>	<u>237,016</u>
Change in Net Assets	92,223
<i>Net Assets Beginning of Year</i>	<u>256,610</u>
<i>Net Assets End of Year</i>	<u>\$ 348,833</u>

See accompanying notes to the financial statements

Wayne Township
Darke County, Ohio
Statement of Net Assets - Cash Basis
December 31, 2006

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 176,610
Investments	<u>80,000</u>
<i>Total Assets</i>	<u><u>256,610</u></u>
Net Assets	
Restricted for:	
Other Purposes	213,165
Unrestricted	<u>43,445</u>
<i>Total Net Assets</i>	<u><u>\$ 256,610</u></u>

See accompanying notes to the financial statements

Wayne Township
Darke County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2006

	Program Cash Receipts			
Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Net Cash Disbursements	
Governmental Activities				
General Government	\$ 99,823	\$ -	\$ -	\$ (99,823)
Public Safety	635	-	-	(635)
Public Works	169,830	607	99,041	(70,182)
Health	12,031	-	-	(12,031)
<i>Total Governmental Activities</i>	<u>\$ 282,319</u>	<u>\$ 607</u>	<u>\$ 99,041</u>	<u>\$ (182,671)</u>
General Receipts				
Property Taxes Levied for:				
General Purposes				147,498
Grants and Entitlements not Restricted to Specific Programs				38,175
Interest				3,154
Miscellaneous				1,116
<i>Total General Receipts</i>				189,943
Change in Net Assets				7,272
<i>Net Assets Beginning of Year</i>				249,338
<i>Net Assets End of Year</i>				\$ 256,610

See accompanying notes to the financial statements

Wayne Township - Darke County
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2007

	General	Gasoline Tax	Road and Bridge	Fire District	Permissive Motor Vehicle License	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	\$ 98,908	\$ 54,421	\$ 78,757	\$ 18,465	\$ 46,750	\$ 21,532	\$ 318,833
Investments	-	30,000	-	-	-	-	30,000
<i>Total Assets</i>	<u>98,908</u>	<u>84,421</u>	<u>78,757</u>	<u>18,465</u>	<u>46,750</u>	<u>21,532</u>	<u>348,833</u>
Fund Balances							
Undesignated (Deficit), Reported in:							
General Fund	98,908	-	-	-	-	-	98,908
Special Revenue Funds	-	84,421	78,757	18,465	46,750	21,532	249,925
<i>Total Fund Balances</i>	<u>\$ 98,908</u>	<u>\$ 84,421</u>	<u>\$ 78,757</u>	<u>\$ 18,465</u>	<u>\$ 46,750</u>	<u>\$ 21,532</u>	<u>\$ 348,833</u>

See accompanying notes to the financial statements

Wayne Township - Darke County
Statement of Cash Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2007

	General	Gasoline Tax	Road and Bridge	Fire District	Permissive Motor Vehicle License	Other Governmental Funds	Total Governmental Funds
Receipts							
Property and Other Local Taxes	\$ 44,212	\$ -	\$ 50,520	\$ 30,085	\$ 13,896	\$ 13,557	\$ 152,270
Intergovernmental	65,740	88,436	6,004	3,504	-	11,593	175,277
Special Assessments	-	-	-	-	-	806	806
Investment Earnings	3,071	3,303	-	-	1,394	348	8,116
Miscellaneous	1,382	-	-	-	-	-	1,382
<i>Total Cash Receipts</i>	<u>114,405</u>	<u>91,739</u>	<u>56,524</u>	<u>33,589</u>	<u>15,290</u>	<u>26,304</u>	<u>337,851</u>
Disbursements							
Current:							
General Government	45,175	-	-	35,423	-	-	80,598
Public Safety	-	-	-	673	-	-	673
Public Works	-	72,360	48,290	-	5,297	24,643	150,590
Health	13,767	-	-	-	-	-	13,767
<i>Total Cash Disbursements</i>	<u>58,942</u>	<u>72,360</u>	<u>48,290</u>	<u>36,096</u>	<u>5,297</u>	<u>24,643</u>	<u>245,628</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>55,463</u>	<u>19,379</u>	<u>8,234</u>	<u>(2,507)</u>	<u>9,993</u>	<u>1,661</u>	<u>92,223</u>
<i>Net Change in Fund Balances</i>	55,463	19,379	8,234	(2,507)	9,993	1,661	92,223
<i>Fund Balances Beginning of Year</i>	<u>43,445</u>	<u>65,042</u>	<u>70,523</u>	<u>20,972</u>	<u>36,757</u>	<u>19,871</u>	<u>256,610</u>
<i>Fund Balances End of Year</i>	<u>\$ 98,908</u>	<u>\$ 84,421</u>	<u>\$ 78,757</u>	<u>\$ 18,465</u>	<u>\$ 46,750</u>	<u>\$ 21,532</u>	<u>\$ 348,833</u>

See accompanying notes to the financial statements

WAYNE TOWNSHIP - DARKE COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budgetary Basis
General Fund
For the Year Ended December 31, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 43,000	\$ 43,000	\$ 44,212	\$ 1,212
Intergovernmental	32,250	32,250	65,740	33,490
Earnings on Investments	1,800	1,800	3,071	1,271
Miscellaneous	440	440	1,382	942
<i>Total receipts</i>	<u>77,490</u>	<u>77,490</u>	<u>114,405</u>	<u>36,915</u>
Disbursements				
Current:				
General Government	69,613	69,613	45,175	24,438
Public Works	13,000	13,000	-	13,000
Health	18,322	18,322	13,767	4,555
Capital Outlay	20,000	20,000	-	20,000
Total Disbursements	<u>120,935</u>	<u>120,935</u>	<u>58,942</u>	<u>61,993</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(43,445)</u>	<u>(43,445)</u>	<u>55,463</u>	<u>98,908</u>
Net Change in Fund Balance	<u>(43,445)</u>	<u>(43,445)</u>	<u>55,463</u>	<u>98,908</u>
Fund Balance Beginning of Year	<u>43,445</u>	<u>43,445</u>	<u>43,445</u>	<u>-</u>
Fund Balance End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,908</u>	<u>\$ 98,908</u>

See accompanying notes to the financial statements

WAYNE TOWNSHIP - DARKE COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budgetary Basis
Gasoline Tax Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 86,000	\$ 86,000	\$ 88,436	\$ 2,436
Earnings on Investments	1,300	1,300	3,303	2,003
Total receipts	87,300	87,300	91,739	4,439
Disbursements				
Current:				
Public Works	119,342	119,342	72,360	46,982
Capital Outlay	33,000	33,000	-	33,000
Total Disbursements	152,342	152,342	72,360	79,982
Excess of Receipts Over (Under) Disbursements	(65,042)	(65,042)	19,379	84,421
Net Change in Fund Balance	(65,042)	(65,042)	19,379	84,421
Fund Balance Beginning of Year	65,042	65,042	65,042	-
Fund Balance End of Year	\$ -	\$ -	\$ 84,421	\$ 84,421

See accompanying notes to the financial statements

WAYNE TOWNSHIP - DARKE COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budgetary Basis
Road and Bridge Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 51,000	\$ 51,000	\$ 50,521	\$ (479)
Intergovernmental	4,580	4,580	6,003	1,423
Total receipts	<u>55,580</u>	<u>55,580</u>	<u>56,524</u>	<u>944</u>
Disbursements				
Current:				
Public Works	126,103	126,103	48,290	77,813
Total Disbursements	<u>126,103</u>	<u>126,103</u>	<u>48,290</u>	<u>77,813</u>
Excess of Receipts Over (Under) Disbursements	<u>(70,523)</u>	<u>(70,523)</u>	<u>8,234</u>	<u>78,757</u>
Net Change in Fund Balance	<u>(70,523)</u>	<u>(70,523)</u>	<u>8,234</u>	<u>78,757</u>
Fund Balance Beginning of Year	<u>70,523</u>	<u>70,523</u>	<u>70,523</u>	<u>-</u>
Fund Balance End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,757</u>	<u>\$ 78,757</u>

See accompanying notes to the financial statements

WAYNE TOWNSHIP - DARKE COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budgetary Basis
Fire District Levy Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 30,210	\$ 30,210	\$ 30,085	\$ (125)
Intergovernmental	2,500	2,500	3,504	1,004
Total receipts	<u>32,710</u>	<u>32,710</u>	<u>33,589</u>	<u>879</u>
Disbursements				
Current:				
General Government	52,500	52,500	35,423	17,077
Public Safety	1,182	1,182	673	509
Total Disbursements	<u>53,682</u>	<u>53,682</u>	<u>36,096</u>	<u>17,586</u>
Excess of Receipts Over (Under) Disbursements	<u>(20,972)</u>	<u>(20,972)</u>	<u>(2,507)</u>	<u>18,465</u>
Net Change in Fund Balance	<u>(20,972)</u>	<u>(20,972)</u>	<u>(2,507)</u>	<u>18,465</u>
Fund Balance Beginning of Year	<u>20,972</u>	<u>20,972</u>	<u>20,972</u>	<u>-</u>
Fund Balance End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,465</u>	<u>\$ 18,465</u>

See accompanying notes to the financial statements

WAYNE TOWNSHIP - DARKE COUNTY
Statement of Receipts, Disbursements and Changes in Fund Balances
Budget and Actual -Budgetary Basis
Permissive Motor Vehicle License Tax Fund
For the Year Ended December 31, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 13,000	\$ 13,000	\$ 13,895	\$ 895
Earnings on Investments	150	150	1,394	1,244
Total receipts	<u>13,150</u>	<u>13,150</u>	<u>15,289</u>	<u>2,139</u>
Disbursements				
Current:				
Public Works	49,908	49,908	5,297	44,611
Total Disbursements	<u>49,908</u>	<u>49,908</u>	<u>5,297</u>	<u>44,611</u>
Excess of Receipts Over (Under) Disbursements	<u>(36,758)</u>	<u>(36,758)</u>	<u>9,992</u>	<u>46,750</u>
Net Change in Fund Balance	<u>(36,758)</u>	<u>(36,758)</u>	<u>9,992</u>	<u>46,750</u>
Fund Balance Beginning of Year	<u>36,758</u>	<u>36,758</u>	<u>36,758</u>	<u>-</u>
Fund Balance End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,750</u>	<u>\$ 46,750</u>

See accompanying notes to the financial statements

WAYNE TOWNSHIP
DARKE COUNTY
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2006

	General	Gasoline Tax	Road and Bridge	Fire District	Permissive Motor Vehicle License	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	\$ 23,445	\$ 35,042	\$ 40,522	\$ 20,972	\$ 36,757	\$ 19,872	\$ 176,610
Investments	20,000	30,000	30,000	-	-	-	80,000
<i>Total Assets</i>	<u>43,445</u>	<u>65,042</u>	<u>70,522</u>	<u>20,972</u>	<u>36,757</u>	<u>19,872</u>	<u>256,610</u>
Fund Balances							
Undesignated (Deficit), Reported in:							
General Fund	43,445	-	-	-	-	-	43,445
Special Revenue Funds	-	65,042	70,522	20,972	36,757	19,872	213,165
<i>Total Fund Balances</i>	<u>\$ 43,445</u>	<u>\$ 65,042</u>	<u>\$ 70,522</u>	<u>\$ 20,972</u>	<u>\$ 36,757</u>	<u>\$ 19,872</u>	<u>\$ 256,610</u>

See accompanying notes to the financial statements

**WAYNE TOWNSHIP
DARKE COUNTY**
Statement of Cash Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2006

	General	Gasoline Tax	Road and Bridge	Fire District	Permissive Motor Vehicle License	Other Governmental Funds	Total Governmental Funds
Receipts							
Property and Other Local Taxes	\$ 42,961	\$ -	\$ 51,130	\$ 30,366	\$ 12,029	\$ 11,012	\$ 147,498
Intergovernmental	28,867	85,568	5,888	3,420	-	13,473	137,216
Special Assessments	-	-	-	-	-	607	607
Interest	1,699	1,213	-	-	146	96	3,154
Miscellaneous	1,116	-	-	-	-	-	1,116
<i>Total Cash Receipts</i>	<u>74,643</u>	<u>86,781</u>	<u>57,018</u>	<u>33,786</u>	<u>12,175</u>	<u>25,188</u>	<u>289,591</u>
Disbursements							
Current:							
General Government	66,672	-	-	33,151	-	-	99,823
Public Safety	-	-	-	635	-	-	635
Public Works	-	102,535	48,223	-	4,316	14,756	169,830
Health	12,031	-	-	-	-	-	12,031
<i>Total Cash Disbursements</i>	<u>78,703</u>	<u>102,535</u>	<u>48,223</u>	<u>33,786</u>	<u>4,316</u>	<u>14,756</u>	<u>282,319</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(4,060)</u>	<u>(15,754)</u>	<u>8,795</u>	<u>-</u>	<u>7,859</u>	<u>10,432</u>	<u>7,272</u>
<i>Net Change in Fund Balances</i>	(4,060)	(15,754)	8,795	-	7,859	10,432	7,272
<i>Fund Balances Beginning of Year</i>	<u>47,505</u>	<u>80,796</u>	<u>61,727</u>	<u>20,972</u>	<u>28,898</u>	<u>9,440</u>	<u>249,338</u>
<i>Fund Balances End of Year</i>	<u>\$ 43,445</u>	<u>\$ 65,042</u>	<u>\$ 70,522</u>	<u>\$ 20,972</u>	<u>\$ 36,757</u>	<u>\$ 19,872</u>	<u>\$ 256,610</u>

See accompanying notes to the financial statements

WAYNE TOWNSHIP - DARKE COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budgetary Basis
General Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Property and Other Local Taxes	\$ 42,070	\$ 42,070	\$ 42,960	\$ 890
Intergovernmental	32,870	32,870	28,869	(4,001)
Earnings on Investments	900	900	1,699	799
Miscellaneous	347	347	1,115	768
<i>Total receipts</i>	<u>76,187</u>	<u>76,187</u>	<u>74,643</u>	<u>(1,544)</u>
Disbursements				
Current:				
General Government	95,160	95,160	66,672	28,488
Public Works	2,700	2,700	-	2,700
Health	15,832	15,832	12,031	3,801
Capital Outlay	10,000	10,000	-	10,000
Total Disbursements	<u>123,692</u>	<u>123,692</u>	<u>78,703</u>	<u>44,989</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(47,505)</u>	<u>(47,505)</u>	<u>(4,060)</u>	<u>43,445</u>
Net Change in Fund Balance	<u>(47,505)</u>	<u>(47,505)</u>	<u>(4,060)</u>	<u>43,445</u>
Fund Balance Beginning of Year	<u>47,505</u>	<u>47,505</u>	<u>47,505</u>	<u>-</u>
Fund Balance End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,445</u>	<u>\$ 43,445</u>

See accompanying notes to the financial statements

WAYNE TOWNSHIP - DARKE COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budgetary Basis
Gasoline Tax Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$ 73,500	\$ 73,500	\$ 85,568	\$ 12,068
Earnings on Investments	700	700	1,213	513
Total receipts	74,200	74,200	86,781	12,581
Disbursements				
Current:				
Public Works	119,996	119,996	102,535	17,461
Capital Outlay	35,000	35,000	-	35,000
Total Disbursements	154,996	154,996	102,535	52,461
Excess of Receipts Over (Under) Disbursements	(80,796)	(80,796)	(15,754)	65,042
Net Change in Fund Balance	(80,796)	(80,796)	(15,754)	65,042
Fund Balance Beginning of Year	80,796	80,796	80,796	-
Fund Balance End of Year	\$ -	\$ -	\$ 65,042	\$ 65,042

See accompanying notes to the financial statements

WAYNE TOWNSHIP - DARKE COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budgetary Basis
Road and Bridge Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 49,320	\$ 49,320	\$ 51,130	\$ 1,810
Intergovernmental	5,000	5,000	5,888	888
Total receipts	<u>54,320</u>	<u>54,320</u>	<u>57,018</u>	<u>2,698</u>
Disbursements				
Current:				
Public Works	116,047	116,047	48,223	67,824
Total Disbursements	<u>116,047</u>	<u>116,047</u>	<u>48,223</u>	<u>67,824</u>
Excess of Receipts Over (Under) Disbursements	<u>(61,727)</u>	<u>(61,727)</u>	<u>8,795</u>	<u>70,522</u>
Net Change in Fund Balance	<u>(61,727)</u>	<u>(61,727)</u>	<u>8,795</u>	<u>70,522</u>
Fund Balance Beginning of Year	<u>61,727</u>	<u>61,727</u>	<u>61,727</u>	<u>-</u>
Fund Balance End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,522</u>	<u>\$ 70,522</u>

See accompanying notes to the financial statements

WAYNE TOWNSHIP - DARKE COUNTY
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budgetary Basis
Fire District Levy Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 29,320	\$ 29,320	\$ 30,366	\$ 1,046
Intergovernmental	3,300	3,300	3,420	120
Total receipts	32,620	32,620	33,786	1,166
Disbursements				
Current:				
General Government	52,000	52,000	33,151	18,849
Public Safety	1,592	1,592	635	957
Total Disbursements	53,592	53,592	33,786	19,806
Excess of Receipts Over (Under) Disbursements	(20,972)	(20,972)	-	20,972
Net Change in Fund Balance	(20,972)	(20,972)	-	20,972
Fund Balance Beginning of Year	20,972	20,972	20,972	-
Fund Balance End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,972</u>	<u>\$ 20,972</u>

See accompanying notes to the financial statements

WAYNE TOWNSHIP - DARKE COUNTY
Statement of Receipts, Disbursements and Changes in Fund Balances
Budget and Actual -Budgetary Basis
Permissive Motor Vehicle License Tax Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$ 17,300	\$ 17,300	\$ 12,029	\$ (5,271)
Earnings on Investments	285	285	146	(139)
Total receipts	17,585	17,585	12,175	(5,410)
Disbursements				
Current:				
Public Works	46,483	46,483	4,316	42,167
Total Disbursements	46,483	46,483	4,316	42,167
Excess of Receipts Over (Under) Disbursements	(28,898)	(28,898)	7,859	36,757
Net Change in Fund Balance	(28,898)	(28,898)	7,859	36,757
Fund Balance Beginning of Year	28,898	28,898	28,898	-
Fund Balance End of Year	\$ -	\$ -	\$ 36,757	\$ 36,757

See accompanying notes to the financial statements

Wayne Township
Notes to the Financial Statements
For the Years Ended December 31, 2007 and December 31, 2006

Note 1 – Reporting Entity

Wayne Township, Darke County, Ohio (the Township), is a body politic and corporate established in 1819 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 also has an elected Fiscal Officer. The Township's management staff believes these financial statements present all activities for which the Township is financially accountable

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, maintenance of Township roads and bridges. The Township contracts with the Village of Versailles for fire protection services. Police protection is provided by Darke County Sheriff's Office

B. Component Units

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Township is obligated for the debt of the organization. The Township is also financially accountable for any organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Township, are accessible to the Township and are significant in amount to the Township.

Wayne Township has no component units based on these criteria.

C. Joint Ventures

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility

The Township participates in the Ohio Township Association Risk Management Authority (OTARAMA), a public entity risk pool. Note 7 to the financial statements provide additional information for that entity.

The OTARAMA is a risk-sharing pool available to Ohio local governments, and provides property and casualty coverage for its members. OTARAMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARAMA. OTARAMA pays judgments, settlements, and other expenses resulting from covered claims that exceed the members' deductibles. Additional information will be discussed in Note 7.

Wayne Township
Notes to the Financial Statements
For the Years Ended December 31, 2007 and December 31, 2006

Note 1 – Reporting Entity (Continued)

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

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Township's accounting policies.

A. Basis of Presentation

The Township's financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" receipts and disbursements. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Wayne Township has no business-type activities.

The statement of net assets presents the cash balance of the governmental activities of the Township at year end. The statement of activities compares disbursements with program receipts for the Township's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Township is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function or business-type activity is self-financing on a cash basis or draws from the Township's general receipts.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The Township has no enterprise or fiduciary funds.

Wayne Township
Notes to the Financial Statements
For the Years Ended December 31, 2007 and December 31, 2006

Note 2 – Summary of Significant Accounting Policies (continued)

B. Fund Accounting

The Township uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Township are only governmental funds.

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds as of December 31, 2007, and 2006, are the General Fund, Road and Bridge, Fire District Levy, Gasoline Tax and Permissive motor vehicle license Funds. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund.

The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose. The gasoline tax, road and bridge, and permissive funds are used, to a great extent, for road maintenance/repair expenditures to keep Township equipment in working order and purchase new capital assets. The Fire fund is used to pay the fire contract for fire protection services.

The other governmental funds of the Township account for grants and other resources whose use is restricted to a particular purpose. Other governmental fund column on the financial statements does not include the other major funds described here.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Township are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities, and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Note 2 – Summary of Significant Accounting Policies (continued)

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Township may appropriate.

The appropriations ordinance is the Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Township Clerk. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Township.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Township during the year.

E. Cash and Investments

To improve cash management, cash received by the Township is pooled and invested. Individual fund integrity is maintained through Township records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents", and "Investments".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2007, the Township invested in nonnegotiable certificates of deposit. The nonnegotiable certificates of deposit is reported at cost.

In 2006, the Township invested only in nonnegotiable certificates of deposits. The nonnegotiable certificate of deposit was reported at cost.

Wayne Township
Notes to the Financial Statements
For the Years Ended December 31, 2007 and December 31, 2006

Note 2 – Summary of Significant Accounting Policies (continued)

E. Cash and Investments (Continued)

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. All interest receipts are credited to the General Fund, except those specifically related to those funds deemed appropriate according to the Township's policy and purpose of the funds.

For Fiscal Year 2007 and 2006, interest receipts amounted to \$8,116 and \$3,154 respectively, of which, \$3,071, and \$1,699 respectively, were credited to the General Fund.

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. The Township has no restricted assets.

G. Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

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

I. Interfund Receivables/Payables

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

J. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's cash basis of accounting.

K. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Wayne Township
Notes to the Financial Statements
For the Years Ended December 31, 2007 and December 31, 2006

Note 2 – Summary of Significant Accounting Policies (continued)

L. Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor capital outlay expenditure are reported at inception. Lease payments are reported when paid.

M. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for Road Repair, Fire equipment and operations, and EMS equipment and operations.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

The government-wide net assets reports \$249,924 and \$213,165 of restricted net assets, for Fiscal Year end 2007 and 2006 respectively; none of which is restricted by enabling legislation

N. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. No Fund balance reserves have been established for encumbrances.

O. Interfund Transactions

Transfers from one fund to another or within the same function are eliminated on the Statement of Activities.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Wayne Township
Notes to the Financial Statements
For the Years Ended December 31, 2007 and December 31, 2006

Note 3 – Change in Basis of Accounting

The Township implemented GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, and GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*.

GASB Statement No. 40 creates new disclosure requirements for deposits and investments related to risk, including credit risk, interest rate risk and foreign currency risk. Expanded risk disclosures for the Township's demand deposits and investments are included in Note 5 as the result of the implementation of GASB Statement No.40.

GASB Statement No. 46 clarifies how legal enforceability should be applied when determining whether restricted net assets should be classified as restricted. The implementation of this new statement had no effect on the Township's financial statements for 2007 and 2006.

Note 4 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund, the Gasoline Tax Fund, the Road and Bridge Fund, the Fire District Levy Fund, and the Permissive Motor Vehicle Tax Fund, and are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances, and are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis, and outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis). The Township had no outstanding encumbrances at December 31, 2007 or at December 31, 2006. The Township also had no outstanding year end advances.

Note 5 – Deposits and Investments

State statutes classify monies held by the Township into three categories.

Active monies are public monies necessary to meet current demands on the treasury. Active monies must be maintained either as cash in the Township Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Township has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Wayne Township
Notes to the Financial Statements
For the Years Ended December 31, 2007 and December 31, 2006

Note 5 – Deposits and Investments (Continued)

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies may be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAROhio).

The Township may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons; and
3. Obligations of the Township.

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited.

Investments may only be made through specified dealers and institutions.

Wayne Township
Notes to the Financial Statements
For the Years Ended December 31, 2007 and December 31, 2006

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

A. Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the Township will not be able to recover deposits or collateral securities that are in the possession of an outside party.

As of December 31, 2007 and December 31, 2006, the carrying amounts of the Township's deposits were \$348,833 and \$256,610. The Township's bank balances were \$322,051 and \$214,578, respectively, of which, 222,051 and \$114,578 were exposed to custodial credit risk because they were uninsured and collateralized with securities held by the pledging financial institution, but not in the Township's name.

The Township has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Township or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

B. Investments

As of December 31, 2007 and December 31, 2006, the Township had the following investments. All investments are in an internal investment pool.

	Investment 2007	Maturity Less than 1 year	Investment 2006	Maturity Less than 1 year
Certificate of Deposit - Second National Bank	\$ 30,000	\$ 30,000	\$ 80,000	\$ 80,000
Totals	\$ 30,000	\$ 30,000	\$ 80,000	\$ 80,000

Interest Rate Risk – State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and that an investment must be purchased with the expectation that it will be held to maturity. The Township has no investment policy, other than the one prescribed by the Ohio statute.

Credit Risk – The Certificate of Deposit is guaranteed by the Federal Depository Insurance Corporation (FDIC). The Township's investments are limited to those investments authorized by State statute.

Concentration of Credit Risk – It is the policy of the Township to diversify its investment portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, issuer, or class of securities. The Township places no limit on the amount it may invest in any one issuer. The Township's only investments are in the Certificate of Deposit in 2007 and in 2006.

Note 6 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2007 represent the collection of 2006 taxes. Real property taxes received in 2007 were levied after October 1, 2006, on the assessed values as of January 1, 2006, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually.

Wayne Township
Notes to the Financial Statements
For the Years Ended December 31, 2007 and December 31, 2006

Note 6 – Property Taxes (Continued)

If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2007 represent the collection of 2006 taxes. Public utility real and tangible personal property taxes received in 2007 became a lien on December 31, 2006, were levied after October 1, 2007, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2007 (other than public utility property) represent the collection of 2006 taxes. Tangible personal property taxes received in 2007 were levied after October 1, 2006, on the true value as of December 31, 2006. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the year ended December 31, 2007, was \$7.40 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2007 property tax receipts were based are as follows:

	<u>2007</u>	<u>2006</u>
Real Property:		
Residential/Agricultural	\$33,087,300	\$32,922,620
Commercial/Industrial/Mineral	1,846,110	1,823,260
Public Utility Property:		
Real	33,500	29,890
Personal	1,835,430	1,748,610
Tangible Personal Property	690,790	820,470
Total Assessed Value	\$37,493,130	\$37,344,850

Note 7 – Risk Management

The Township is exposed to various risks of property and casualty losses, and injuries to employees.

The Township insures against injuries to employees through the Ohio Bureau of Worker’s Compensation.

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

Wayne Township
Notes to the Financial Statements
For the Years Ended December 31, 2007 and December 31, 2006

Note 7 – Risk Management (Continued)

Casualty Coverage – For an occurrence prior to January 1, 2006 (latest information available), OTARMA retains casualty risks up to \$250,000 per occurrence, including claim 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 \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Townships can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust OTARMA’s retained earnings, APEEP provides excess of funds available coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (for claims prior to January 1, 2006) or \$3,000,000 (for claims on or after January 1, 2006) as noted above.

Property Coverage – Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members’ total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2006 (latest information available) was \$1,901,127.

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.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

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, 2006 and 2005: (Latest information available)

<u>Casualty Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$32,031,312	\$30,485,638
Liabilities	(11,443,952)	(12,344,576)
Retained Earnings	<u>\$20,587,360</u>	<u>\$18,141,062</u>
 <u>Property Coverage</u>	 <u>2006</u>	 <u>2005</u>
Assets	\$10,010,963	\$9,177,796
Liabilities	(676,709)	(1,406,031)
Retained Earnings	<u>\$9,334,254</u>	<u>\$7,771,765</u>

Note 8 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

The Township participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2007, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 9.0 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 10.1 percent. The Township's contribution rate for pension benefits for 2007 was 13.70 percent, except for those plan members in law enforcement or public safety. For those classifications, the Township's pension contributions were 16.93 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were \$5,745, \$5,452, and \$5,178 respectively. The full amount has been contributed for 2007, 2006 and 2004. Contributions to the member-directed plan for 2007 were \$5,745 made by the Township and \$3,603 made by the plan members.

Note 9 - Postemployment Benefits

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute.

Wayne Township
Notes to the Financial Statements
For the Years Ended December 31, 2007 and December 31, 2006

Note 9 - Postemployment Benefits (Continued)

Ohio Public Employees Retirement System (Continued)

The 2006 (latest information available) local government employer contribution rate was 13.7 percent of covered payroll (16.93 percent for public safety and law enforcement); 4.50 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the individual entry age actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005 (latest information available), include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care costs were assumed to increase between .50 and 6.00 percent annually for the next nine years and 4.00 percent annually after nine years.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 369,214. The number of active contributing participants for both plans used in the December 31, 2006 (latest information available), actuarial valuation was 358,804. Actual employer contributions for 2007 which were used to fund postemployment benefits were \$1,887. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. To improve the solvency of the Health Care Fund, OPERS created a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

Note 10 – Contingent Liabilities

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Caudill & Associates, CPA's

725 5th Street
Portsmouth, OH 45662

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants
Kentucky Society of 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*

Board of Trustees
Wayne Township
Darke County
P.O. Box 205
Versailles, Ohio 45380

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Wayne Township (the Township), Darke County, as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Township's financial statements, and have issued our report thereon dated January 31, 2008, wherein we noted the Township uses a comprehensive basis of accounting other than generally accepted accounting principles, and the Township implemented GASB Statements No. 40, and 46. 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 auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness on 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 financing reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Township's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control.

A material weakness is a significant deficiency, or combination of deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. The results of our tests disclosed no instances of material weaknesses that are required to be disclosed under *Governmental Auditing Standards*.

Wayne Township
Darke County

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*

Page 2

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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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

Caudill & Associates, CPA's

Caudill & Associates, CPA's

January 31, 2008



Mary Taylor, CPA
Auditor of State

WAYNE TOWNSHIP

DARKE 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
APRIL 1, 2008