

**WAYNE TOWNSHIP  
AUGLAIZE COUNTY**

**REGULAR AUDIT  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**



**GUEYE & ASSOCIATES, CPA, INC.**

2246 S. Hamilton Rd. Suite 102  
Columbus, OH 43232

Tel: 614-342-0297  
Fax: 614-423-6615  
[www.gueyecpa.com](http://www.gueyecpa.com)

---

**This page intentionally left blank.**

OHIO AUDITOR OF STATE  
KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
IPARepoort@ohioauditor.gov  
(800) 282-0370

Board of Trustees  
Wayne Township  
PO Box 103  
Waynesfield, OH 45896-0103

We have reviewed the *Independent Auditor's Report* of the Wayne Township, Auglaize County, prepared by Gueye & Associates, CPA, for the audit period January 1, 2021 through December 31, 2022. 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. The Wayne Township is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

August 18, 2023

**This page intentionally left blank.**

WAYNE TOWNSHIP  
AUGLAIZE COUNTY

DECEMBER 31, 2022 AND 2021

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Independent Auditor's Report .....	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types – For the Year Ended December 31, 2022.....	4
Notes to the Financial Statements – December 31, 2022.....	5
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types – For the Year Ended December 31, 2021.....	11
Notes to the Financial Statements – December 31, 2021.....	12
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	18
Schedule of Findings.....	20
Prepared by Management	
Summary Schedule of Prior Audit Findings .....	28

**This page intentionally left blank.**



# GUEYE & ASSOCIATES, CPA, INC.

2246 S. Hamilton Rd  
Suite 102  
Columbus, Ohio 43232

Tel: 614-342-0297  
Fax: 614-423-6615  
www.gueyecpa.com

---

## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

### ***Report on the Audit of the Financial Statements***

#### ***Unmodified and Adverse Opinions***

We have audited the financial statements of Wayne Township, Auglaize County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2022, and December 31, 2021, and the related notes to the financial statements.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental type combined total as of and for the years ended December 31, 2022 and December 31, 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township, as of December 31, 2022, and December 31, 2021, or the changes in financial position for the years then ended.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the financial statements are prepared by Township on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



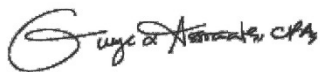
In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2023, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Columbus, Ohio  
June 30, 2023

WAYNE TOWNSHIP, AUGLAIZE COUNTY

**Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis)**

**All Governmental Fund Type**

For the Year Ended December 31, 2022

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 24,843	\$ 116,896	\$ 141,739
Charges for Services	-	22,858	22,858
Licenses, Permits and Fees	950	6,850	7,800
Intergovernmental	29,381	203,645	233,026
Earnings on Investments	160	39	199
Miscellaneous	1,493	20,150	21,643
	<u>56,827</u>	<u>370,438</u>	<u>427,265</u>
<i>Total Cash Receipts</i>			
<b>Cash Disbursements</b>			
Current:			
General Government	45,873	-	45,873
Public Safety	569	93,691	94,260
Public Works	-	90,308	90,308
Health	71	22,270	22,341
Capital Outlay	4,835	118,983	123,818
Debt Service:			
Principal Retirement	-	40,699	40,699
Interest and Fiscal Charges	-	5,355	5,355
<i>Total Cash Disbursements</i>	<u>51,348</u>	<u>371,306</u>	<u>422,654</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>5,479</u>	<u>(868)</u>	<u>4,611</u>
<i>Net Change in Fund Cash Balances</i>	5,479	(868)	4,611
<i>Fund Cash Balances, January 1</i>	<u>22,033</u>	<u>512,945</u>	<u>534,978</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 27,512</u>	<u>\$ 512,077</u>	<u>\$ 539,589</u>

See the notes to the Financial Statements

**Wayne Township**  
*Auglaize County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

**Note 1 – Reporting Entity**

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

***Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations***

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

***Basis of Presentation***

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which are all organized on a fund type basis.

***Fund Accounting***

The Township uses funds 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. The funds of the Township are presented below:

***General Fund*** - The general fund accounts for and reports all financial resources not accounted for and reported 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.

***Special Revenue Funds*** - These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

***Gas Tax Fund*** - The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

***Motor Vehicle License Tax Fund*** The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

***Road and Bridge Fund*** The road and Bridge fund accounts for and reports that portion of the state road and bridge tax for maintenance and repair of roads and bridges within the Township.

***Cemetery Fund*** The cemetery fund accounts for and reports the portion of cemetery levy tax and cemetery fees for the repair and maintenance of the cemetery.

***Fire District Fund*** The Fire District Fund accounts for and reports the portion of the fire district levy tax for the maintenance of the fire district.

***Permissive Motor Vehicle License*** The Permissive Motor Vehicle Fund accounts for and reports that portion of the vehicle license fees and used for the repair and maintenance of the roads within the Township.

**Wayne Township**  
*Auglaize County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

**Local Fiscal Recovery** The Local Fiscal Recovery Fund accounts for and reports that portion of the Local Fiscal Recovery Fund and used for the benefit of the Township.

**Emergency Medical Fund** The Emergency Medical Fund accounts for and reports that portions of the Emergency Medical Fund levy tax fund and Emergency Medical Fees and used for the maintenance of the Emergency Medical Department.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

***Budgetary Process***

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

**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. Unencumbered appropriations lapse at year end.

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

**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 2022 budgetary activity appears in Note 4.

***Deposits and Investments***

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

***Capital Assets***

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

***Leases***

The Township is the lessor/lessee in various leases (as defined by GASB 87) related to buildings, vehicles, and other equipment under noncancelable leases. Lease revenue/disbursements are recognized when they are received/paid.

**Wayne Township**  
Auglaize County  
Notes to the Financial Statements  
For the Year Ended December 31, 2022

---

**Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**Nonspendable** - The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

**Restricted** - Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**Committed** - Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**Assigned** - Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

**Unassigned** - Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Note 3 – Budgetary Activity**

Contrary to Ohio law, on December 31, 2022, appropriations exceeded estimated resources in the Cemetery Fund by \$4,588.

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending 2022 follows:

**Wayne Township**  
*Auglaize County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$51,370	\$56,827	\$5,457
Special Revenue	338,415	370,438	32,023
Total	\$389,785	\$427,265	\$37,480

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$56,680	\$51,348	\$5,332
Special Revenue	391,660	371,306	20,354
Total	\$448,340	\$422,654	\$25,686

**Note 5 – Deposits and Investments**

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit and investment accounts are as follows:

	2022
<b>Cash Management Pool:</b>	
Demand deposits	\$136,037
Other time deposits (savings and NOW accounts)	403,552
Total deposits	539,589

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2022, the Township is holding \$0 in unremitted employee payroll withholdings.

**Deposits**

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Note 6 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20. Under certain circumstances, State statutes permits later payment dates to be established.

Public utilities are also taxed on personal and real property located within the Township.

**Wayne Township**  
*Auglaize County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Township.

**Note 7 – Risk Management**

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially measured liabilities available to pay those liabilities as of December 31:

	<u>2021</u>
Cash and investments	\$34,880,599
Actuarial liabilities	\$10,601,444

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2022.

**Note 9 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

**Wayne Township**  
*Auglaize County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

---

**Note 10 – Debt**

Debt outstanding at December 31, 2022, was as follows:

	Principal	Interest Rate
2021 Snow Plow Truck Lease	\$57,133	2.40%
2021 Ambulance Lease	97,026	3.86%
Total	\$154,159	

**Financed Purchases**

The Township has entered into financed purchases agreements for a Snow Plow Truck and an Ambulance in 2021. The Township disbursed \$46,055 to pay these costs for the fiscal year ended December 31, 2022.

**Amortization**

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

Year Ending December 31:	2021 Snow Plow Truck Lease	2021 Ambulance Lease
2023	\$19,966	\$26,089
2024	19,966	26,089
2025	19,966	26,089
2026	26,089	26,089
Total	\$59,898	\$104,356

**Note 11 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June 2021 while the national state of emergency continues. During 2022, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

**Note 12 – Fiscal Watch**

The Township had a negative General Fund balance at December 31, 2016. As a result, the Township requested Local Governmental Services to reconstruct/reconcile the Township's records for 2017, 2018, and 2019 to current. The Township was placed in fiscal watch on June 26, 2019. As of December 31, 2022, the Township is still in fiscal watch.



## WAYNE TOWNSHIP, AUGLAIZE COUNTY

**Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis)****All Governmental Fund Type**

For the Year Ended December 31, 2021

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 24,042	\$ 93,784	\$ 117,826
Charges for Services	-	25,374	25,374
Licenses, Permits and Fees	550	-	550
Intergovernmental	27,270	201,591	228,861
Earnings on Investments	160	39	199
Miscellaneous	8,391	48,593	56,984
	<u>60,413</u>	<u>369,381</u>	<u>429,794</u>
<i>Total Cash Receipts</i>			
<b>Cash Disbursements</b>			
Current:			
General Government	45,128	-	45,128
Public Safety	-	66,238	66,238
Public Works	-	86,985	86,985
Health	-	17,853	17,853
Capital Outlay	-	521,248	521,248
Debt Service:			
Principal Retirement	-	194,858	194,858
<i>Total Cash Disbursements</i>	<u>45,128</u>	<u>887,182</u>	<u>932,310</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>15,285</u>	<u>(517,801)</u>	<u>(502,516)</u>
<b>Other Financing Receipts (Disbursements)</b>			
Other Debt Proceeds	-	389,716	389,716
<i>Total Other Financing Receipts (Disbursements)</i>	<u>-</u>	<u>389,716</u>	<u>389,716</u>
<i>Net Change in Fund Cash Balances</i>	<u>15,285</u>	<u>(128,085)</u>	<u>(112,800)</u>
<i>Fund Cash Balances, January 1</i>	<u>6,748</u>	<u>641,030</u>	<u>647,778</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 22,033</u>	<u>\$ 512,945</u>	<u>\$ 534,978</u>

See the notes to the Financial Statements

**Wayne Township**  
*Auglaize County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

---

**Note 1 – Reporting Entity**

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

***Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations***

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

***Basis of Presentation***

The Township's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which are all organized on a fund type basis.

***Fund Accounting***

The Township uses funds 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. The funds of the Township are presented below:

***General Fund*** - The general fund accounts for and reports all financial resources not accounted for and reported 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.

***Special Revenue Funds*** - These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

***Gas Tax Fund*** - The gas tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

***Motor Vehicle License Tax Fund*** The motor vehicle license tax fund accounts for and reports that portion of motor vehicle license registration fees restricted for maintenance and repair of roads within the Township.

***Road and Bridge Fund*** The road and Bridge fund accounts for and reports that portion of the state road and bridge tax for maintenance and repair of roads and bridges within the Township.

***Cemetery Fund*** The cemetery fund accounts for and reports the portion of cemetery levy tax and cemetery fees for the repair and maintenance of the cemetery.

***Fire District Fund*** The Fire District Fund accounts for and reports the portion of the fire district levy tax for the maintenance of the fire district.

***Permissive Motor Vehicle License*** The Permissive Motor Vehicle Fund accounts for and reports that portion of the vehicle license fees and used for the repair and maintenance of the roads within the Township.

**Wayne Township**  
*Auglaize County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

---

**Local Fiscal Recovery** The Local Fiscal Recovery Fund accounts for and reports that portion of the Local Fiscal Recovery Fund and used for the benefit of the Township.

**Emergency Medical Fund** The Emergency Medical Fund accounts for and reports that portions of the Emergency Medical Fund levy tax fund and Emergency Medical Fees and used for the maintenance of the Emergency Medical Department.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

***Budgetary Process***

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

**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. Unencumbered appropriations lapse at year end.

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

**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 2021 budgetary activity appears in Note 4.

***Deposits and Investments***

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

***Capital Assets***

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

***Leases***

The Township is the lessor/lessee in various leases (as defined by GASB 87) related to buildings, vehicles, and other equipment under noncancelable leases. Lease revenue/disbursements are recognized when they are received/paid.

**Wayne Township**  
*Auglaize County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

---

**Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**Nonspendable** - The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

**Restricted** - Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**Committed - Trustees** can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**Assigned - Assigned** fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

**Unassigned** - Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Note 3 – Compliance**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Ambulance and EMS fund by \$1,117 for the year ended December 31, 2021. Also contrary to Ohio law, at December 31, 2021, appropriations for the Cemetery Fund exceeded estimated resources by \$17,730.

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending 2021 follows:

**Wayne Township**  
*Auglaize County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$51,140	\$60,413	\$9,273
Special Revenue	684,690	759,097	74,407
Total	\$735,830	\$819,510	\$83,680

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$49,480	\$45,128	\$4,352
Special Revenue	910,634	887,182	23,452
Total	\$960,114	\$932,310	\$27,804

**Note 5 – Deposits and Investments**

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township's deposit and investment accounts are as follows:

	2021
<b>Cash Management Pool:</b>	
Demand deposits	\$131,626
Other time deposits (savings and NOW accounts)	403,352
Total deposits	534,978

The Township does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2021, the Township is holding \$0 in unremitted employee payroll withholdings.

**Deposits**

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**Note 6 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20. Under certain circumstances, State statutes permits later payment dates to be established.

Public utilities are also taxed on personal and real property located within the Township.

**Wayne Township**  
*Auglaize County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

---

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Township.

**Note 7 – Risk Management**

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). The Pool assumes the risk of loss up to the limits of the (local entity's) policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially measured liabilities available to pay those liabilities as of December 31:

	<u>2021</u>
Cash and investments	\$34,880,599
Actuarial liabilities	\$10,601,444

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**Note 8 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Township contributed an amount equaling 14 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2021.

**Note 9 – Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2021.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

**Wayne Township**  
*Auglaize County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

**Note 10 – Debt**

Debt outstanding at December 31, 2021, was as follows:

	Principal	Interest Rate
2021 Snow Plow Truck Lease	\$75,292	2.40%
2021 Ambulance Lease	119,566	3.86%
Total	\$194,858	

**Financed Purchases**

The Township has entered into financed purchases agreements for a Snow Plow Truck and an Ambulance in 2021. The Township disbursed \$194,858 to pay these costs for the fiscal year ended December 31, 2021.

**Amortization**

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

Year Ending December 31:	2021 Snow Plow Truck Lease	2021 Ambulance Lease
2022	\$19,966	\$26,089
2023	19,966	26,089
2024	19,966	26,089
2025	19,966	26,089
2026	26,089	26,089
Total	\$79,864	\$130,445

**Note 11 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency continues. During 2021, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

**Note 12 – Fiscal Watch**

The Township had a negative General Fund balance at December 31, 2016. As a result, the Township requested Local Governmental Services to reconstruct/reconcile the Township's records for 2017, 2018, and 2019 to current. The Township was placed in fiscal watch on June 26, 2019. At December 31, 2021, the Township was still in fiscal watch.

**Note 13 Subsequent Events.**

The Township voters approved an additional 0.7 mill additional levy over 5 years for the Cemetery. The Township began collecting on the new cemetery levy during 2022 fiscal year.



# GUEYE & ASSOCIATES, CPA, INC.

2246 S. Hamilton Rd  
Suite 102  
Columbus, Ohio 43232

Tel: 614-342-0297  
Fax: 614-423-6615  
www.gueyecpa.com

---

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

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

To the Township Board of Trustees:

We have audited, 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 the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type combined total as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of Wayne Township, Auglaize County (the Township) and have issued our report thereon dated June 30, 2023, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

### ***Report on Internal Control Over Financial Reporting***

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item No. 2022-010 that we consider to be a material weakness.



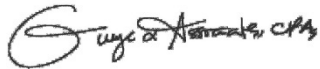
Wayne Township  
Auglaize County  
Independent Auditor's Report On Internal Control Over  
Financial Reporting And On Compliance And Other Matters  
Required By *Government Auditing Standards*  
Page 2

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Township's financial statements are free from 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as items No. 2022-001, through 2022-010.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Columbus, Ohio  
June 30, 2023

WAYNE TOWNSHIP  
AUGLAIZE COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021

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

FINDING NUMBER 2022-001

FINDING 2022-001

**Noncompliance Citation: Public Records Policy and Public Records Retention**

**Ohio Rev. Code § 149.43(B)(2)** requires “a public office to have available a copy of its current records retention schedule at a location readily available to the public.”

**Ohio Rev. Code § 149.43(E)(2)** states, in part, that all public offices “shall adopt a public records policy in compliance with this section for responding to public records requests. In adopting a public records policy under this division, a public office may obtain guidance from the model public records policy developed and provided to the public office by the attorney general under section 109.43 of the Revised Code. The public office shall create a poster that describes its public records policy and shall post the poster in a conspicuous place in the public office and in all locations where the public office has branch offices. The public office may post its public records policy on the internet web site of the public office if the public office maintains an internet web site.”

The Township did not adopt a records retention schedule or a public records policy. The lack of such a schedule/policy may result in the improper destruction of records or misunderstandings with the public or amongst Officials when it comes to requests for records.

The Township should adopt a records retention schedule and a public records policy and post them in accordance with the requirements.

**Official’s Response:**

We did not receive a response from Officials for this finding.

FINDING NUMBER 2022-002

**Noncompliance Citation: Insurance Reimbursements**

**Ohio Rev. Code § 505.601** requires that if a board of township trustees does not procure an insurance policy or group health care services as provided in section 505.60 of the Revised Code, the board of township trustees may reimburse any township officer or employee for each out-of-pocket premium attributable to the coverage provided for that officer or employee for insurance benefits described in division (A) of section 505.60 of the Revised Code that the officer or employee otherwise obtains, if all of the following conditions are met:

- 1) The board of township trustees adopts a resolution that states that the township has chosen not to procure a health care plan under section 505.60 of the Revised Code and has chosen instead to reimburse its officers and employees for each out-of-pocket premium attributable to the coverage provided for them for insurance benefits described in division (A) of section 505.60 of the Revised Code that they otherwise obtain.
- 2) That resolution provides for a uniform maximum monthly or yearly payment amount for each officer or employee to cover themselves and their immediate dependents, beyond which the township will not reimburse the officer or employee.

WAYNE TOWNSHIP  
AUGLAIZE COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021

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

FINDING NUMBER 2022-002  
(Continued)

**Noncompliance Citation : Insurance Reimbursements (Continued)**

- 3) That resolution states the specific benefits listed in division (A) of section 505.60 of the Revised Code for which the township will reimburse all officers and employees of the township. The township may not reimburse officers and employees for benefits other than those listed in division (A) of section 505.60 of the Revised Code.

In 2013, the IRS issued Notice 2013-54 and the Department of Labor issued Technical Release 2013-03 which indicate that employers may reimburse employees' premiums for non-employer sponsored health care with only post-tax dollars (i.e., employers must withhold taxes prior to making reimbursement), but that these reimbursements need not be used in computing allowable "gross salary" as prescribed in Ohio Rev. Code § 505.24 and § 505.09.

The Board of Township Trustees adopted resolutions on December 27, 2018 and December 17, 2019, respectively, to allow up to \$4,000 per employee for cancer, life, major medical, hospital, disability, dental, orthodontics, vision, dependent major medical, weekly hospital income, hearing aid, long term care indemnity, nursing home care, supplemental Medicare, prescription card, Chiropractic, prescription, accident and health insurance for the trustees and fiscal officer for the year 2019 and 2020, respectively.

In 2021 and 2022, the Trustees and the Fiscal Officer received insurance reimbursements that were not run through the payroll system. As a result, the reimbursements were not included in their wages for calculating the taxes owed.

The Township needs to make sure all insurance reimbursements are posted through the UAN payroll system and payments made post-tax.

We will refer this matter to the Internal Revenue Service and the Ohio Department of Taxation.

**Official's Response:**

We did not receive a response from Officials for this finding.

FINDING NUMBER 2022-003

**Noncompliance Citation: Insufficient Bonding**

**Ohio Rev. Code 507.03** states except as otherwise provided in section 3.061 of the Revised Code, the township fiscal officer, before entering upon the discharge of official duties, shall give a bond, payable to the board of township trustees, with sureties approved by the board, in the sum determined by the board but not less than the sum provided in this section, and conditioned for the faithful performance of the duties of the office of township fiscal officer. This bond shall be recorded by the township fiscal officer, filed with the county treasurer, and carefully preserved.

WAYNE TOWNSHIP  
AUGLAIZE COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021

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

FINDING NUMBER 2022-003

(Continued)

**Noncompliance Citation: Insufficient Bonding (Continued)**

The minimum sum of the township fiscal officer's bond shall be as follows: (F) In a township with a budget of more than seven hundred fifty thousand dollars but not more than one million five hundred thousand dollars, one hundred thirty-five thousand dollars.

The Township's budget exceeded \$750,000 in 2021 and 2022, however, the Fiscal Officer's bond covering the period April 1, 2020 through April 1, 2024 was only \$85,000.

The Township should implement a control and/or procedure, such as an annual reminder system, to review the amount of bonds for the Fiscal Officer and other official. The Ohio Compliance Supplement Implementation Guide which can be found at: [http://www.auditor.state.oh.us/references/compliancemanuals/2020/OCSImplementationGuide\\_2020.pdf](http://www.auditor.state.oh.us/references/compliancemanuals/2020/OCSImplementationGuide_2020.pdf) should be reviewed to determine the bond amounts for Township Officials and employees.

**Official's Response:**

We did not receive a response from Officials for this finding.

FINDING NUMBER 2022-004

**Noncompliance Citation: Fiscal Officer's Continuing Education**

**Ohio Rev. Code § 507.12(C)** states, in part, (2) A township fiscal officer who is elected to a subsequent term of office shall complete twelve hours of continuing education courses in each subsequent term of office, (4) At least two hours of ethics instruction shall be included in the continuing education hours required by divisions (C)(1) and (2) of this section and (5) A township fiscal officer who participates in a training program or seminar established under section 109.43 of the Revised Code may apply the three hours of training to the continuing education hours required by divisions (C)(1) and (2) of this section.

The Auditor of State's Office (AOS) has developed an on-line training database. The database includes a list of approved training, which is maintained by AOS training department. Fiscal officers must register and create a personal username and password for the AOS's Fiscal Integrity site for reporting purposes. Training is then reported by choosing the training courses and dates attended. Fiscal officers are required to self-report their hours, otherwise they will not receive credit for the training. Fiscal Officers can access and print their certificates via the Fiscal Integrity Act portal available at <http://www.ohioauditor.gov/fiscalintegrity/default.html>.

The Fiscal Officer completed only 3 out of the 12 required hours of continuing education courses in 2022 and 2021.

WAYNE TOWNSHIP  
AUGLAIZE COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021

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

FINDING NUMBER 2022-004  
(Continued)

**Noncompliance Citation: Fiscal Officer's Continuing Education (Continued)**

Failure to obtain and document the required training could result in the Fiscal Officer not being adequately trained and could result in subsequent recording and compliance errors due to insufficient training.

The Fiscal Officer should complete the required 12 hours (including 2 hours of Ethics training) of continuing education courses for each term of office. Training hours should be reported on the AOS's Fiscal Integrity Site. The Trustees should monitor the Fiscal Officer's completion of continuing education.

**Official's Response:**

We did not receive a response from Officials for this finding.

FINDING NUMBER 2022-005

**Noncompliance Citation: Adoption of Temporary Appropriation**

**Ohio Rev. Code § 5705.38(A)** requires that on or about the first day of each fiscal year, the taxing authority of each subdivision or other taxing unit shall pass an appropriation measure, and thereafter during the year it may pass any supplemental appropriation measures as it finds necessary, based on the revised tax budget or the official certificate of estimated resources or amendments of the certificate. If it desires to postpone the passage of the annual appropriation measure until an amended certificate is received based on the actual balances, it may pass a temporary appropriation measure for meeting the ordinary expenses of the taxing unit until no later than the first day of April.

Permanent Appropriations were not approved for 2021 and 2022 until January 14, 2021, and January 13, 2022, respectively, and no temporary appropriation measure was approved prior to those dates.

The failure to approve appropriations by the required date could result in disbursements being made without proper budgetary authority which could result in deficit spending.

A procedure(s) and/or control(s) should be implemented to provide for the timely approval of the annual appropriation resolution.

**Official's Response:**

We did not receive a response from Officials for this finding.

WAYNE TOWNSHIP  
AUGLAIZE COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021

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

FINDING NUMBER 2022-006

**Noncompliance Citation: Appropriations in Excess of Estimated Resources.**

**Ohio Rev. Code § 5705.39** requires that total appropriations from each fund shall not exceed the total estimated resources. No appropriation measure is effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

Appropriations exceeded the total estimated resources in 2021 for the Cemetery Fund by \$17,730 and in 2022 by \$4,598.

The total appropriations from each fund exceeding the total estimated resources could result in deficit spending.

A procedure(s) and/or controls(s) should be implemented to provide for the comparing of total appropriations to estimated resources.

**Official's Response:**

We did not receive a response from Officials for this finding.

FINDING NUMBER 2022-007

**Noncompliance Citation**

**Ohio Rev. Code § 5705.41(B)** states that no subdivision or taxing unit "shall make any expenditure of money unless it has been appropriated." In 2021, the Township's expenditures plus contract commitments (including outstanding encumbrances) exceeded the total appropriations in the Ambulance & EMS fund by \$1,117.

Expenditures in excess of appropriations could result in deficit spending and/or the use of another fund's money to cover the expenditures.

A control(s) or procedure(s), such as the periodic review of appropriations, disbursements, and encumbrances to ensure that spending is within appropriations, should be performed by the Trustees.

**Official's Response:**

We did not receive a response from Officials for this finding.

WAYNE TOWNSHIP  
AUGLAIZE COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021

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

FINDING NUMBER 2022-008

Noncompliance Citation

**Ohio Rev. Code § 5705.41(D)(3)** states upon certification by the auditor or other chief fiscal officer that a certain sum of money, not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority of the subdivision or taxing unit, has been lawfully appropriated, authorized, or directed for a certain purpose and is in the treasury or in the process of collection to the credit of a specific line-item appropriation account in a certain fund free from previous and then outstanding obligations or certifications, then for such purpose and from such line-item appropriation account in such fund, over a period not extending beyond the end of the fiscal year, expenditures may be made, orders for payment issued, and contracts or obligations calling for or requiring the payment of money made and assumed; provided, that the aggregate sum of money included in and called for by such expenditures, orders, contracts, and obligations shall not exceed the sum so certified.

In addition to regular blanket certificates, a subdivision's fiscal officer may also issue so-called "super blanket" certificates for any amount for expenditures and contracts from a specific line-item appropriation account in a specified fund for most professional services, fuel, oil, food items and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the fiscal year or, in the case of counties, beyond the quarterly spending plan established by the county commissioners. More than one super blanket certificate may be outstanding at one particular time for a particular line-item appropriation account.

A resolution or ordinance was not passed establishing the maximum amount for blanket certificates in 2022 and 2021. Failure to do so, could lead to blanket certificates exceeding appropriations and/or spending in excess of appropriations. Also, regular blankets were established for the specific recurring and predictable expenses where super blankets were written for all other expenses.

The Trustees should review Ohio Rev. Code §5705.41(D)(3) and pass a resolution to establish a maximum amount blanket certificates will not exceed and to determine which expenses should be regular blanket and "super" blanket certificates.

**Official's Response:**

We did not receive a response from Officials for this finding.

FINDING NUMBER 2022-09

**Internal Control Deficiency – Review of Budgeted vs Actual Activity**

To help ensure receipts and disbursements are in-line with the amounts budgeted and to help ensure receipts and disbursements are recorded in the correct fund and correctly classified, the Trustees should review budget versus actual reports that present activity by fund, by receipt classification, and appropriations at the legal level of control. There was no evidence that the Trustees reviewed this type of financial information during 2020 and 2019.

The failure to monitor financial activity at this level reduces the Trustees' ability to detect actual activity that is not meeting the anticipated budget for receipts and disbursements, fund and line-item recording errors which inhibit the ability to monitor budgeted receipts and disbursements and/or that result in the material misstatement of the annual financial statements, deficit spending, and other violations of budgetary laws.

**WAYNE TOWNSHIP  
AUGLAIZE COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2022-09  
(Continued)**

**Internal Control Deficiency – Review of Budgeted vs Actual Activity (Continued)**

The Fiscal Officer should provide Trustees with monthly budget versus actual receipt and disbursement reports at the level of detail described above for their review and approval. These reports can be provided in either hard copy or provided electronically. Periodically a review should be performed to verify that the budgeted amounts reported agree to the amounts approved by Board. In addition, the review of monthly fund balance reports, which could be included with the review of monthly bank to book reconciliations, can help to detect negative financial trends and/or errors in a timely manner.

Evidence of the Board’s review and approval of financial reports should be noted on the reports reviewed and/or in the Minutes.

**Official’s Response:**

We did not receive a response from Officials for this finding.

**FINDING NUMBER 2022-010**

**Noncompliance and Material Weakness – Financial Reporting**

Ohio Rev. Code § 733.28 provides, in part, that the Township Clerk shall keep the books of the Township and exhibit accurate statements of all moneys received and expended, of all the property owned by the Township and the income derived therefrom, and of all taxes and assessments. Ohio Admin. Code § 117-2-02(A), states, in part, that all local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record, and report its transactions, maintain accountability for the related assets (and liabilities, if generally accepted accounting principles apply), document compliance with finance-related legal and contractual requirements and prepare financial statements.

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs. A14 & A16.

The following adjustments and reclassifications were posted to the financial statements and where applicable, to the accounting records:

- In 2021, a total of \$194,858 in principal payments were posted as interest payments.
- In 2022, a total of \$40,699 in principal payments were posted as interest payments.



WAYNE TOWNSHIP  
AUGLAIZE COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021

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

FINDING NUMBER 2022-010  
(Continued)

**Noncompliance and Material Weakness – Financial Reporting (Continued)**

The failure to correctly classify financial activity in the accounting records and financial statements may impact the user's understanding of the financial operations, the Township's ability to make sound financial decisions or comply with budgetary law, and/or result in materially misstated reports. Not properly accounting for grants/loans could result in misspending by the Township.

The Township should have procedures in place to provide for accurate and complete recording of financial activity and balances in the accounting records and financial statements to assist in the effective management and reporting of financial resources.

**Officials' Response:**

We did not receive a response from Officials for this finding.

**WAYNE TOWNSHIP  
AUGLAIZE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2020-001	Noncompliance: Public Records Policy	Not Corrected	Reissued as Finding # 2022-001
2020-002	Noncompliance: Insurance Reimbursement	Not Corrected	Reissued as Finding # 2022-002
2020-003	Noncompliance: Bonding Requirements	Not Corrected	Reissued as Finding # 2022-003
2020-004	Noncompliance: Fiscal Officer's Continuing Education	Not Corrected	Reissued as Finding # 2022-004
2020-005	Noncompliance: Negative Fund Balance	Partially Corrected	Reissued in management letter
2020-006	Noncompliance: Passing Appropriations	Not Corrected	Reissued as Finding # 2022-005
2020-007	Noncompliance: Appropriations in Excess of Estimated Resources	Not Corrected	Reissued as Finding # 2022-006
2020-008	Noncompliance: Expenditures in Excess of Appropriations	Not Corrected	Reissued as Finding # 2022-007
2020-09	Noncompliance: Blanket Certificates Certification	Not Corrected	Reissued as Finding # 2022-08
2020-10	Internal Control Deficiency: Segregation of Duties	Corrected	N/A
2020-11	Internal Control Deficiency: Review of Budgeted vs Actual Activity	Corrected	N/A
2020-12	Internal Control Deficiency: Meal Reimbursement	Corrected	N/A
2020-13	Internal Control Deficiency: Supporting Documentation for Mileage Reimbursement	Corrected	N/A

# OHIO AUDITOR OF STATE KEITH FABER



**WAYNE TOWNSHIP**

**AUGLAIZE COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 8/31/2023**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)