

**GARY B. FINK & ASSOCIATES, INC.**

*CERTIFIED PUBLIC ACCOUNTANTS*

WAYNE TOWNSHIP

INDEPENDENT AUDITOR'S REPORT

FOR THE YEARS ENDED  
DECEMBER 31, 1999 AND DECEMBER 31, 1998

Professional Accountants  
for  
Professional Government

**WAYNE TOWNSHIP  
FOR THE YEARS ENDED  
DECEMBER 31, 1999 AND DECEMBER 31, 1998**

**TABLE OF CONTENTS**

Elected Officials.....	i
Independent Auditor's Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances - All Governmental Fund Types - December 31, 1999 .....	2
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances - All Governmental Fund Types - December 31, 1998 .....	3
Notes to the Financial Statements .....	4
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	9

WAYNE TOWNSHIP

ELECTED OFFICIALS  
AS OF DECEMBER 31, 1999

<u>NAME</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>	<u>SURETY</u>	<u>AMOUNT</u>	<u>PERIOD</u>
Dean R. Burrell	Trustee	11/04/97-12/31/01	(A)	\$1,000	11/04/97- 12/31/01
Russell D. Fankhauser	Trustee	11/04/97-12/31/01	(A)	\$1,000	11/04/97- 12/31/01
Quentin W. Schwartz	Trustee	11/01/95-12/31/99	(B)	\$1,000	11/01/95- 12/31/99
Susan M. Stein	Clerk	11/07/97-03/31/00	(B)	\$3,000	11/07/97- 03/31/00

(A) Ohio Farmers Insurance Company  
(B) Personal Service Insurance Agency

**STATUTORY LEGAL COUNSEL**

Mr. Michael A. Cochran  
Assistant Prosecuting Attorney  
Tuscarawas County Courthouse  
New Philadelphia, OH 44663



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

Board of Trustees  
Wayne Township  
9599 Walnut Creek Bottom Road, NW  
Dundee, Ohio 44624

We have reviewed the independent auditor's report of Wayne Township, Tuscarawas County, prepared by Gary B. Fink & Associates, Inc., for the audit period January 1, 1998 through December 31, 1999. 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.



JIM PETRO  
Auditor of State

May 31, 2000

INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Wayne Township  
9599 Walnut Creek Bottom Road, NW  
Dundee, Ohio 44624

We have audited the accompanying financial statements of Wayne Township, as of and for the years ended December 31, 1999 and December 31, 1998, as listed in the table of contents. These financial statements are the responsibility of Wayne Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, Wayne Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than *generally accepted accounting principles*.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2000 on our consideration of Wayne Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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



GARY B. FINK & ASSOCIATES, INC.  
Certified Public Accountants

March 13, 2000

Wayne Township

Combined Statement of Cash Receipts, Cash Disbursements and  
Changes in Fund Cash Balances - All Governmental Fund Types  
For the Year Ended December 31, 1999

	General	Special Revenue	Total (Memorandum Only)
<b>Cash Receipts</b>			
Local Taxes	\$21,660	\$120,105	\$141,765
Licenses, Permits and Fees	0	1,000	1,000
Intergovernmental	64,241	75,403	139,644
Interest	11,728	5,790	17,518
Other	1,040	3,007	4,047
<b>Total Cash Receipts</b>	<b>98,669</b>	<b>205,305</b>	<b>303,974</b>
<b>Cash Disbursements</b>			
General Government	23,297	0	23,297
Public Safety	0	15,844	15,844
Public Works	1,525	246,500	248,025
Health	6,494	150	6,644
Capital Outlay	0	2,436	2,436
<b>Total Cash Disbursements</b>	<b>31,316</b>	<b>264,930</b>	<b>296,246</b>
<b>Total Receipts Over (Under) Disbursements</b>	<b>67,353</b>	<b>(59,625)</b>	<b>7,728</b>
<b>Fund Cash Balances, January 1, 1999</b>	<b>112,539</b>	<b>273,466</b>	<b>386,005</b>
<b>Fund Cash Balances, December 31, 1999</b>	<b>\$179,892</b>	<b>\$213,841</b>	<b>\$393,733</b>

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

## Wayne Township

**Combined Statement of Cash Receipts, Cash Disbursements and  
Changes in Fund Cash Balances - All Governmental Fund Types  
For the Year Ended December 31, 1998**

	General	Special Revenue	Capital Projects	Total (Memorandum Only)
<b>Cash Receipts</b>				
Local Taxes	\$17,492	\$110,507	\$0	\$127,999
Licenses, Permits and Fees	0	800	0	800
Intergovernmental	46,456	71,827	12,422	130,705
Interest	9,157	6,151	0	15,308
Other	1,965	7,167	0	9,132
<b>Total Cash Receipts</b>	<b>75,070</b>	<b>196,452</b>	<b>12,422</b>	<b>283,944</b>
<b>Cash Disbursements</b>				
General Government	24,955	0	0	24,955
Public Safety	0	16,243	0	16,243
Public Works	1,525	156,483	0	158,008
Health	4,184	40	0	4,224
Capital Outlay	4,494	7,148	12,422	24,064
Principal Retirement	0	30,000	0	30,000
Interest and Fiscal Charges	0	1,633	0	1,633
<b>Total Cash Disbursements</b>	<b>35,158</b>	<b>211,547</b>	<b>12,422</b>	<b>259,127</b>
<b>Total Receipts Over (Under) Disbursements</b>	<b>39,912</b>	<b>(15,095)</b>	<b>0</b>	<b>24,817</b>
<b>Fund Cash Balances, January 1, 1998</b>				
As Restated, See Footnote 2	72,627	288,561	0	361,188
<b>Fund Cash Balances, December 31, 1998</b>	<b>\$112,539</b>	<b>\$273,466</b>	<b>\$0</b>	<b>\$386,005</b>

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

WAYNE TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND DECEMBER 31, 1998

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Description of the Entity

Wayne Township, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected, three-member Board. The Township provides general governmental services, including road and cemetery maintenance. The Township collects a 3.1 mil levy for the Wayne Volunteer Fire Department to provide fire protection to the residents of the Township.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (ie., when an encumbrance is approved).

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

C. Cash and Cash Equivalents

Certificates of deposits are valued at cost.

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

**General Fund** - The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

**Special Revenue Funds** - These funds are used to account for proceeds from specific sources (other than from capital projects) that are legally restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:



WAYNE TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND DECEMBER 31, 1998

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

Motor Vehicle License Fund - This fund receives motor vehicle taxes for constructing, maintaining and repairing Township roads.

Gasoline Tax Fund - This fund receives gasoline taxes for maintaining and repairing Township roads.

Road and Bridge Fund - This fund receives gasoline and property taxes for constructing, maintaining and repairing Township roads.

Fire District Fund - This fund receives property taxes to provide fire and ambulance service to the Township.

**Capital Project Fund** - This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

E. Budgetary Process

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

**Appropriations** - Budgetary expenditures (disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

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

**Encumbrances** - The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made.

A summary of 1999 and 1998 budgetary activity appears in Note 4.

F. Property, Plant and Equipment

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

WAYNE TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND DECEMBER 31, 1998

2. RESTATEMENT OF FUND BALANCE

Issue II money in the previous reporting period was misrecorded as a cash receipt, thus increasing the fund balance. The change had the following effect on fund balance as it was previously reported at December 31, 1997:

	<u>Capital Projects</u>
Fund Balance as Previously Recorded	\$12,906
Issue II Money Improperly Recorded as a Cash Receipt	<u>(12,906)</u>
Restated Balance as of January 1, 1998	<u>\$ -0-</u>

3. EQUITY IN POOLED CASH AND CASH EQUIVALENTS

The Township maintains a cash and cash equivalents pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. At December 31, 1999 and December 31, 1998, the carrying amount of the Township's deposits were as follows:

	<u>1999</u>	<u>1998</u>
Demand deposits	\$ 3,733	\$ 36,005
Certificate of Deposit	<u>390,000</u>	<u>350,000</u>
Total deposits	<u>\$393,733</u>	<u>\$386,005</u>

Deposits

Demand deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by the financial institution's public entity deposit pool. However, the Township's certificates of deposit are held in the banks Trust Department and are not collateralized. The certificates of deposit are invested for periods of up to one month at a time.

4. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 1999 and December 31, 1998 was as follows:

1999 Budget vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 67,786	\$ 98,669	\$ 30,883
Special Revenue	<u>191,774</u>	<u>205,305</u>	<u>13,531</u>
Total	<u>\$259,560</u>	<u>\$303,974</u>	<u>\$44,414</u>

WAYNE TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND DECEMBER 31, 1998

4. BUDGETARY ACTIVITY (continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$180,325	\$ 31,316	\$ 149,009
Special Revenue	<u>465,240</u>	<u>264,930</u>	<u>200,310</u>
Total	<u>\$645,565</u>	<u>\$296,246</u>	<u>\$349,319</u>

1998 Budget vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 63,555	\$ 75,070	\$ 11,515
Special Revenue	178,574	196,452	17,878
Capital Projects	<u>0</u>	<u>12,422</u>	<u>12,422</u>
Total	<u>\$242,129</u>	<u>\$ 283,944</u>	<u>\$41,815</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$136,183	\$ 35,158	\$101,025
Special Revenue	467,137	211,547	255,590
Capital Projects	<u>12,907</u>	<u>12,422</u>	<u>485</u>
Total	<u>\$ 616,227</u>	<u>\$259,127</u>	<u>\$357,100</u>

5. DEBT

The Township paid off a Commercial Loan Note with a balance of \$30,000 in fiscal year 1998.

# WAYNE TOWNSHIP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 1999 AND DECEMBER 31, 1998

### 6. PROPERTY TAX

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

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

Tangible personal property tax is assessed to the property owners, who must file a list of such property to the County by each April 30.

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

### 7. RETIREMENT SYSTEMS

Employees belong to the Public Employees Retirement System (PERS) of Ohio, PERS is a cost-sharing, multiple-employer defined pension plan. This plan provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The PERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to: 277 East Town Street, Columbus, Ohio 43215 or by calling (614)466-2085 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 1999 and 1998, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

### 8. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft; damage to or destruction of assets, errors and omissions; employee injuries; and natural disasters. By maintaining comprehensive insurance coverage with private carriers, the Township has addressed these various types of risk.

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Trustees  
Wayne Township  
9599 Walnut Creek Bottom Road, NW  
Dundee, Ohio 44624

We have audited the financial statements of Wayne Township, as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated March 13, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Wayne Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, 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*.

Internal Control Over Financial Reporting

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

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



GARY B. FINK & ASSOCIATES, INC.  
Certified Public Accountants

March 13, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

WAYNE TOWNSHIP  
TUSCARAWAS 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.

By: Susan Babbitt

Date: JUNE 13, 2000