



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

WAYNE TOWNSHIP
CHAMPAIGN COUNTY

TABLE OF CONTENTS

| TITLE | PAGE |
|---|-------------|
| Report of Independent Accountants | 1 |
| Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1999 | 3 |
| Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1998 | 4 |
| Notes to the Financial Statements | 5 |
| Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> | 11 |
| Schedule of Findings | 13 |

This page intentionally left blank.



**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Wayne Township
Champaign County
5666 Black Road
Cable, Ohio 43009

To the Board of Trustees:

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2000 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

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

Jim Petro
Auditor of State

May 19, 2000

This page intentionally left blank.

**WAYNE TOWNSHIP
CHAMPAIGN COUNTY**

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

| | <u>Governmental Fund Types</u> | | Totals (Memorandum Only) |
|--|--------------------------------|----------------------------|---|
| | <u>General</u> | <u>Special Revenue</u> | |
| Cash Receipts: | | | |
| Local Taxes | \$20,147 | \$114,090 | \$134,237 |
| Intergovernmental | 13,745 | 75,015 | 88,760 |
| Licenses, Permits, and Fees | 4,869 | 2,925 | 7,794 |
| Earnings on Investments | 2,184 | | 2,184 |
| | <hr/> | <hr/> | <hr/> |
| Total Cash Receipts | 40,945 | 192,030 | 232,975 |
| Cash Disbursements: | | | |
| Current: | | | |
| General Government | 39,695 | 2,624 | 42,319 |
| Public Works | | 172,987 | 172,987 |
| Health | 9,065 | | 9,065 |
| | <hr/> | <hr/> | <hr/> |
| Total Cash Disbursements | 48,760 | 175,611 | 224,371 |
| Total Receipts Over/(Under) Disbursements | <hr/> | <hr/> | <hr/> |
| | (7,815) | 16,419 | 8,604 |
| Other Financing Receipts/(Disbursements): | | | |
| Other Sources | <hr/> | <hr/> | <hr/> |
| | 20 | | 20 |
| Total Other Financing Receipts/(Disbursements) | <hr/> | <hr/> | <hr/> |
| | 20 | | 20 |
| Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements | <hr/> | <hr/> | <hr/> |
| | (7,795) | 16,419 | 8,624 |
| Fund Cash Balances, January 1 | <hr/> | <hr/> | <hr/> |
| | 25,884 | 50,256 | 76,140 |
| Fund Cash Balances, December 31 | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| | \$18,089 | \$66,675 | \$84,764 |
| Reserve for Encumbrances, December 31 | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| | \$3,376 | \$1,904 | \$5,280 |

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

**WAYNE TOWNSHIP
CHAMPAIGN COUNTY**

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

| | <u>Governmental Fund Types</u> | | Totals (Memorandum Only) |
|--|--------------------------------|----------------------------|---|
| | <u>General</u> | <u>Special Revenue</u> | |
| Cash Receipts: | | | |
| Local Taxes | \$16,789 | \$111,202 | \$127,991 |
| Intergovernmental | 24,658 | 65,499 | 90,157 |
| Licenses, Permits, and Fees | 4,485 | 400 | 4,885 |
| Earnings on Investments | 3,130 | | 3,130 |
| | <hr/> | <hr/> | <hr/> |
| Total Cash Receipts | 49,062 | 179,485 | 228,547 |
| Cash Disbursements: | | | |
| Current: | | | |
| General Government | 53,456 | 2,592 | 56,048 |
| Public Works | 253 | 205,811 | 206,064 |
| Health | 7,000 | 325 | 7,325 |
| | <hr/> | <hr/> | <hr/> |
| Total Cash Disbursements | 60,709 | 208,728 | 269,437 |
| Total Receipts Over/(Under) Disbursements | <hr/> | <hr/> | <hr/> |
| | (11,647) | (29,243) | (40,890) |
| Other Financing Receipts/(Disbursements): | | | |
| Loan Proceeds | | 50,000 | 50,000 |
| Other Sources | 3,157 | | 3,157 |
| | <hr/> | <hr/> | <hr/> |
| Total Other Financing Receipts/(Disbursements) | 3,157 | 50,000 | 53,157 |
| Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements | <hr/> | <hr/> | <hr/> |
| | (8,490) | 20,757 | 12,267 |
| Fund Cash Balances, January 1 | <hr/> | <hr/> | <hr/> |
| | 34,374 | 29,499 | 63,873 |
| Fund Cash Balances, December 31 | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| | \$25,884 | \$50,256 | \$76,140 |
| Reserve for Encumbrances, December 31 | <hr/> | <hr/> | <hr/> |
| | \$169 | \$1,541 | \$1,710 |

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

**WAYNE TOWNSHIP
CHAMPAIGN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Wayne Township, Champaign County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance, and cemetery maintenance.

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

B. Basis of Accounting

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

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

C. Cash and Investments

Certificates of deposit are valued at cost. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

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:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

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

Road and District Fund - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

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

**WAYNE TOWNSHIP
CHAMPAIGN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the 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.

2. 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.

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated in the subsequent year.

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

F. Property, Plant and Equipment

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

| | <u>1999</u> | <u>1998</u> |
|-------------------------|------------------------|------------------------|
| Demand deposits | \$66,908 | \$58,284 |
| Certificates of deposit | <u>17,856</u> | <u>17,856</u> |
| Total deposits | <u><u>\$84,764</u></u> | <u><u>\$76,140</u></u> |

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

**WAYNE TOWNSHIP
CHAMPAIGN COUNTY**

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

3. BUDGETARY ACTIVITY

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

| 1999 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$60,000 | \$40,965 | (\$19,035) |
| Special Revenue | 174,700 | 192,030 | 17,330 |
| Total | \$234,700 | \$232,995 | (\$1,705) |

| 1999 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|----------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$90,613 | \$52,136 | \$38,477 |
| Special Revenue | 232,400 | 177,515 | 54,885 |
| Total | \$323,013 | \$229,651 | \$93,362 |

| 1988 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$86,200 | \$52,219 | (\$33,981) |
| Special Revenue | 199,360 | 229,485 | 30,125 |
| Total | \$285,560 | \$281,704 | (\$3,856) |

| 1988 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|----------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$86,093 | \$60,878 | \$25,215 |
| Special Revenue | 229,679 | 210,269 | 19,410 |
| Total | \$315,772 | \$271,147 | \$44,625 |

**WAYNE TOWNSHIP
CHAMPAIGN COUNTY**

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

4. PROPERTY TAX

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

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

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

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

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

| | Principal | Interest Rate |
|---------------------------|-----------|------------------|
| Promissory Note | \$32,070 | 8.25% |
| Loan with County Engineer | 19,535 | 0% |
| Total | \$51,605 | |

The promissory note and the loan with the county engineer were issued to finance road work.

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

| Year ending December 31: | Promissory Note | Loan With County Engineer |
|-----------------------------|--------------------|---------------------------------|
| 2000 | \$12,646 | \$19,535 |
| 2001 | 11,821 | 0 |
| 2002 | 10,996 | 0 |
| 2003 | 2,241 | 0 |
| Total | \$37,704 | \$19,535 |

**WAYNE TOWNSHIP
CHAMPAIGN COUNTY**

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

6. RETIREMENT SYSTEMS

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

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of 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.

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

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

The Township also provides health insurance to full-time employees through a private carrier.

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

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

Wayne Township
Champaign County
5666 Black Road
Cable, Ohio 43009

To the Board of Trustees:

We have audited the accompanying financial statements of Wayne Township, Champaign County, Ohio (the Township), as of and for the years ended December 31, 1999, and 1998, and have issued our report thereon dated May 19, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 1999-40311-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Township in a separate letter dated May 19, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated May 19, 2000.

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

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

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

Jim Petro
Auditor of State

May 19, 2000

WAYNE TOWNSHIP
CHAMPAIGN COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998

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

| | |
|-----------------------|----------------|
| Finding Number | 1999-40311-001 |
|-----------------------|----------------|

Ohio Rev. Code Section 5705.10 states that all revenue derived from a special levy is required to be paid into the separate fund for that purpose. The Township posted Road and Bridge Fund and Road District Fund property taxes revenues; the related homestead and rollback receipts; and related auditor & treasurer fees to the General Fund.

The client has made the necessary adjustments to increase/decrease fund balances to properly reflect these amounts. The financial statements in this report reflect these adjustments. These adjustments had the following effect upon the respective fund type balances:

| | General Fund | Special Revenue |
|------|--------------|-----------------|
| 1998 | (\$3,179) | \$ 3,179 |
| 1999 | (9,503) | 9,503 |



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
CHAMPAIGN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 18, 2000**