

**WAYNE TOWNSHIP**

**INDEPENDENT AUDITOR'S REPORT**

FOR THE YEARS ENDED  
DECEMBER 31, 2001 AND DECEMBER 31, 2000





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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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, 2000 through December 31, 2001. 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.

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

JIM PETRO  
Auditor of State

July 2, 2002

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**WAYNE TOWNSHIP  
FOR THE YEARS ENDED  
DECEMBER 31, 2001 AND DECEMBER 31, 2000**

**TABLE OF CONTENTS**

Elected Officials .....	iii
Independent Auditor's Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances - All Governmental Fund Types - December 31, 2001 .....	3
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances - All Governmental Fund Types - December 31, 2000 .....	4
Notes to the Financial Statements .....	5
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> .....	10

**WAYNE TOWNSHIP**

**ELECTED OFFICIALS  
AS OF DECEMBER 31, 2001**

<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	01/01/00-12/31/04	(B)	\$1,000	01/01/00-12/31/04
Susan M. Stein	Clerk	04/01/00-03/31/04	(B)	\$3,000	04/01/00-03/31/04

(A) Ohio Farmers Insurance Company

(B) Personal Service Insurance Company

**STATUTORY LEGAL COUNSEL**

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

**INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
Wayne Township, Tuscarawas County  
9599 Walnut Creek Bottom Road, NW  
Dundee, OH 44624

We have audited the accompanying financial statements of Wayne Township, Tuscarawas County (the Township), as of and for the years ended December 31, 2001 and December 31, 2000, as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described 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 accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of Wayne Township as of December 31, 2001 and December 31, 2000, and its 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 15, 2002 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

**INDEPENDENT AUDITOR'S REPORT** (continued)

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.

A handwritten signature in black ink, appearing to read "G B Fink".

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

May 15, 2002



**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, 2001**

	General	Special Revenue	Total (Memorandum Only)
<b>Cash Receipts</b>			
Local Taxes	\$23,957	\$133,680	\$157,637
Licenses, Permits and Fees	0	1,850	1,850
Intergovernmental	40,822	76,712	117,534
Interest	9,424	1,243	10,667
Other	2,564	3,201	5,765
<b>Total Cash Receipts</b>	<b>76,767</b>	<b>216,686</b>	<b>293,453</b>
<b>Cash Disbursements</b>			
General Government	68,685	0	68,685
Public Safety	0	17,316	17,316
Public Works	2,788	140,895	143,683
Health	4,070	400	4,470
Capital Outlay	100	56,417	56,517
<b>Total Cash Disbursements</b>	<b>75,643</b>	<b>215,028</b>	<b>290,671</b>
<b>Total Receipts Over Disbursements</b>	<b>1,124</b>	<b>1,658</b>	<b>2,782</b>
Fund Cash Balances, January 1, 2001	236,260	142,985	379,245
Fund Cash Balances, December 31, 2001	<u>\$237,384</u>	<u>\$144,643</u>	<u>\$382,027</u>

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, 2000**

	General	Special Revenue	Total (Memorandum Only)
<b>Cash Receipts</b>			
Local Taxes	\$23,906	\$134,333	\$158,239
Licenses, Permits and Fees	0	1,800	1,800
Intergovernmental	49,828	83,208	133,036
Interest	18,049	4,783	22,832
Other	563	2,268	2,831
<b>Total Cash Receipts</b>	<b>92,346</b>	<b>226,392</b>	<b>318,738</b>
<b>Cash Disbursements</b>			
General Government	28,503	0	28,503
Public Safety	0	15,420	15,420
Public Works	1,780	265,878	267,658
Health	5,595	950	6,545
Capital Outlay	100	15,000	15,100
<b>Total Cash Disbursements</b>	<b>35,978</b>	<b>297,248</b>	<b>333,226</b>
<b>Total Receipts Over (Under) Disbursements</b>	<b>56,368</b>	<b>(70,856)</b>	<b>(14,488)</b>
Fund Cash Balances, January 1, 2000	179,892	213,841	393,733
Fund Cash Balances, December 31, 2000	<u>\$236,260</u>	<u>\$142,985</u>	<u>\$379,245</u>

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, 2001 AND DECEMBER 31, 2000

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, 2001 AND DECEMBER 31, 2000

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.

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 2001 and 2000 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.

WAYNE TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND DECEMBER 31, 2000

2. **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.

Deposits

The carrying amount of the Township's deposits at December 31, 2001 was \$46,776 and at December 31, 2000 was \$379,245. Demand deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by the financial institution's public entity deposit pool.

Investments

The Township's investments at December 31, 2001 were overnight repurchase agreements for \$335,252. These investments are uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the Township's name.

3. **BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2001 and December 31, 2000 was as follows:

2001 Budget vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 70,879	\$ 76,767	\$ 5,888
Special Revenue	<u>209,351</u>	<u>216,686</u>	<u>7,335</u>
Total	<u>\$280,230</u>	<u>\$ 293,453</u>	<u>\$ 13,223</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$307,139	\$ 75,643	\$ 231,496
Special Revenue	<u>352,336</u>	<u>215,028</u>	<u>137,308</u>
Total	<u>\$659,475</u>	<u>\$ 290,671</u>	<u>\$ 368,804</u>

WAYNE TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND DECEMBER 31, 2000

3. **BUDGETARY ACTIVITY** (continued)

2000 Budget vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 80,835	\$ 92,346	\$ 11,511
Special Revenue	<u>214,616</u>	<u>226,392</u>	<u>11,776</u>
Total	<u>\$295,451</u>	<u>\$ 318,738</u>	<u>\$ 23,287</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$260,727	\$ 35,978	\$224,749
Special Revenue	<u>428,457</u>	<u>297,248</u>	<u>131,209</u>
Total	<u>\$ 689,184</u>	<u>\$ 333,226</u>	<u>\$355,958</u>

4. **PROPERTY TAX**

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

WAYNE TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND DECEMBER 31, 2000

5. **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 2001 and 2000, PERS members contributed 8.5% of their gross salaries. For 2001 the Township contributed an amount equal to 13.55% of participants' gross salaries. In 2000 PERS instituted a temporary employer contribution rate rollback of 20%. The employer contribution was 10.84% of covered payroll. The Township has paid all contributions required through December 31, 2001.

6. **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, Tuscarawas County  
9599 Walnut Creek Bottom Road, NW  
Dundee, OH 44624

We have audited the financial statements of Wayne Township, Tuscarawas County (the Township), as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated May 15, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations 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 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 operations that we consider to be material weaknesses.



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

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

May 15, 2002





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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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.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 30, 2002**