



**Auditor of State  
Betty Montgomery**



**WAYNE TOWNSHIP  
KNOX COUNTY**

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Wayne Township  
Knox County  
16560 Pinkley Road  
Fredericktown, Ohio 43019

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wayne Township, Knox County, Ohio, (the Township) as of and for the year ended December 31, 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Wayne Township, Knox County, Ohio, as of December 31, 2005, and the respective changes in cash financial position and the respective budgetary comparisons for the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Special Levy Fund and Permissive Motor Vehicle License Fund thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

For the year ended December 31, 2005, the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2006, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

The Township did not present Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

November 10, 2006

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**Wayne Township, Knox County**

*Statement of Net Assets - Cash Basis*

*December 31, 2005*

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	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$65,743</u>
<i>Total Assets</i>	<u><u>\$65,743</u></u>
<b>Net Assets</b>	
Restricted for:	
Permanent Fund: Cemetery	
Expendable	143
Non-Expendable	1,000
Other Purposes	62,060
Unrestricted	<u>2,540</u>
<i>Total Net Assets</i>	<u><u>\$65,743</u></u>

See accompanying notes to the basic financial statements

**Wayne Township, Knox County**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2005*

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
General Government	\$57,135	\$3,000	\$0	\$0	(\$54,135)
Public Works	148,814	0	103,559	14,707	(30,548)
Health	488	300	22	0	(166)
Capital Outlay	340	0	0	0	(340)
<i>Total Governmental Activities</i>	<u>206,777</u>	<u>3,300</u>	<u>103,581</u>	<u>14,707</u>	<u>(85,189)</u>
<b>General Receipts</b>					
Property Taxes Levied for:					
					58,995
					26,528
					<u>214</u>
					<u>85,737</u>
					548
					<u>65,195</u>
					<u>\$65,743</u>

See accompanying notes to the basic financial statements

**Wayne Township, Knox County**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2005*

	General	Gasoline Tax Fund	Road and Bridge Fund	Special Levy Fund	Permissive Motor Vehicle License Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Equity in Pooled Cash and Cash Equivalents	\$2,540	\$20,020	\$8,344	\$21,883	\$8,844	\$4,112	\$65,743
<i>Total Assets</i>	<u>\$2,540</u>	<u>\$20,020</u>	<u>\$8,344</u>	<u>\$21,883</u>	<u>\$8,844</u>	<u>\$4,112</u>	<u>\$65,743</u>
<b>Fund Balances</b>							
Unreserved:							
Undesignated, Reported in:							
General Fund	2,540						2,540
Special Revenue Funds		20,020	8,344	21,833	8,844	2,969	62,010
Permanent Fund						1,143	1,143
<i>Total Fund Balances</i>	<u>\$2,540</u>	<u>\$20,020</u>	<u>\$8,344</u>	<u>\$21,833</u>	<u>\$8,844</u>	<u>\$4,112</u>	<u>\$65,693</u>

See accompanying notes to the basic financial statements

**Wayne Township**  
*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2005*

	General	Gasoline Tax Fund	Road and Bridge Fund	Special Levy Fund	Permissive Motor Vehicle License Fund	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>							
Property and Other Local Taxes	\$26,181	\$0	\$32,814	\$0	\$0	\$0	\$58,995
Fines, Licenses and Permits	3,000	0	0	0	0	0	3,000
Intergovernmental	23,238	80,691	3,108	182	12,759	24,816	144,794
Interest	214	0	0	0	0	22	236
Miscellaneous	0	0	0	0	0	300	300
<i>Total Receipts</i>	<u>52,633</u>	<u>80,691</u>	<u>35,922</u>	<u>182</u>	<u>12,759</u>	<u>25,138</u>	<u>207,325</u>
<b>Disbursements</b>							
Current:							
General Government	49,337	0	6,107	1,691	0	0	57,135
Public Works	22,043	64,608	25,000	0	13,414	23,749	148,814
Health	488	0	0	0	0	0	488
Capital Outlay	340	0	0	0	0	0	340
<i>Total Disbursements</i>	<u>72,208</u>	<u>64,608</u>	<u>31,107</u>	<u>1,691</u>	<u>13,414</u>	<u>23,749</u>	<u>206,777</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(19,575)	16,083	4,815	(1,509)	(655)	1,389	548
<i>Fund Balances Beginning of Year</i>	<u>22,115</u>	<u>3,937</u>	<u>3,529</u>	<u>23,392</u>	<u>9,499</u>	<u>2,723</u>	<u>65,195</u>
<i>Fund Balances End of Year</i>	<u><u>\$2,540</u></u>	<u><u>\$20,020</u></u>	<u><u>\$8,344</u></u>	<u><u>\$21,883</u></u>	<u><u>\$8,844</u></u>	<u><u>\$4,112</u></u>	<u><u>\$65,743</u></u>

See accompanying notes to the basic financial statements

**Wayne Township, Knox County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$25,998	\$25,998	\$26,181	\$183
Fines, Licenses and Permits	7,873	7,873	3,000	(4,873)
Intergovernmental	26,376	26,376	23,238	(3,138)
Interest	115	115	214	99
<i>Total receipts</i>	<u>60,362</u>	<u>60,362</u>	<u>52,633</u>	<u>(7,729)</u>
<b>Disbursements</b>				
Current:				
General Government	55,480	55,480	49,337	6,143
Public Works	22,141	22,141	22,043	98
Health	500	500	488	12
Capital Outlay	340	340	340	0
<i>Total Disbursements</i>	<u>78,461</u>	<u>78,461</u>	<u>72,208</u>	<u>6,253</u>
<i>Excess of Receipts (Under) Disbursements</i>	(18,099)	(18,099)	(19,575)	(1,476)
<i>Fund Balance Beginning of Year</i>	<u>22,115</u>	<u>22,115</u>	<u>22,115</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,016</u></u>	<u><u>\$4,016</u></u>	<u><u>\$2,540</u></u>	<u><u>(\$1,476)</u></u>

See accompanying notes to the basic financial statements

**Wayne Township, Knox County**  
*Statement of Receipts, Disbursements and Changes  
 In Fund Balance - Budget and Actual -Budget Basis  
 Gasoline Tax Fund  
 For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Intergovernmental	\$66,716	\$66,716	\$80,691	\$13,975
<i>Total receipts</i>	<u>66,716</u>	<u>66,716</u>	<u>80,691</u>	<u>13,975</u>
<b>Disbursements</b>				
Current:				
Public Works	69,360	69,360	64,608	4,752
<i>Total Disbursements</i>	<u>69,360</u>	<u>69,360</u>	<u>64,608</u>	<u>4,752</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(2,644)	(2,644)	16,083	18,727
<i>Fund Balance Beginning of Year</i>	<u>3,937</u>	<u>3,937</u>	<u>3,937</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,293</u></u>	<u><u>\$1,293</u></u>	<u><u>\$20,020</u></u>	<u><u>\$18,727</u></u>

See accompanying notes to the basic financial statements

**Wayne Township, Knox County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Road and Bridge Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and Other Local Taxes	\$37,190	\$37,190	\$32,814	(\$4,376)
Intergovernmental	10	10	3,108	3,098
<i>Total receipts</i>	<u>37,200</u>	<u>37,200</u>	<u>35,922</u>	<u>(1,278)</u>
<b>Disbursements</b>				
Current:				
General Government	6,473	6,473	6,107	366
Public Works	27,763	27,763	25,000	2,763
<i>Total Disbursements</i>	<u>34,236</u>	<u>34,236</u>	<u>31,107</u>	<u>3,129</u>
<i>Excess of Receipts Over Disbursements</i>	2,964	2,964	4,815	1,851
<i>Fund Balance Beginning of Year</i>	<u>3,529</u>	<u>3,529</u>	<u>3,529</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$6,493</u></u>	<u><u>\$6,493</u></u>	<u><u>\$8,344</u></u>	<u><u>\$1,851</u></u>

See accompanying notes to the basic financial statements

**Wayne Township, Knox County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Special Levy Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Receipts</b>				
Intergovernmental	\$0	\$0	\$182	\$182
<i>Total receipts</i>	<u>0</u>	<u>0</u>	<u>182</u>	<u>182</u>
<b>Disbursements</b>				
Current:				
General Government	23,392	23,392	1,691	21,701
<i>Total Disbursements</i>	<u>23,392</u>	<u>23,392</u>	<u>1,691</u>	<u>21,701</u>
<i>Excess of Receipts (Under) Disbursements</i>	(23,392)	(23,392)	(1,509)	21,883
<i>Fund Balance Beginning of Year</i>	<u>23,392</u>	<u>23,392</u>	<u>23,392</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$21,883</u></u>	<u><u>\$21,883</u></u>

See accompanying notes to the basic financial statements

**Wayne Township, Knox County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual -Budget Basis*  
*Permissive Motor Vehicle License Fund*  
*For the Year Ended December 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and Other Local Taxes	\$2,280	\$2,280	\$0	(\$2,280)
Intergovernmental	3,280	3,280	12,759	9,479
<i>Total receipts</i>	<u>5,560</u>	<u>5,560</u>	<u>12,759</u>	<u>7,199</u>
<b>Disbursements</b>				
Current:				
Public Works	15,058	15,058	13,414	1,644
<i>Total Disbursements</i>	<u>15,058</u>	<u>15,058</u>	<u>13,414</u>	<u>1,644</u>
<i>Excess of Receipts (Under) Disbursements</i>	(9,498)	(9,498)	(655)	8,843
<i>Fund Balance Beginning of Year</i>	<u>9,499</u>	<u>9,499</u>	<u>9,499</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1</u></u>	<u><u>\$1</u></u>	<u><u>\$8,844</u></u>	<u><u>\$8,843</u></u>

See accompanying notes to the basic financial statements

**WAYNE TOWNSHIP  
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

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**Note 1 – Reporting Entity**

Wayne Township, Knox County, Ohio (the Township), is a body politic and corporate 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's management believes these financial statements present all activities for which the Township is financially accountable.

**Primary Government**

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Township. The Township provides general government services, including road and bridge maintenance, and cemetery maintenance.

**Note 2 – Summary of Significant Accounting Policies**

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

**A. Basis of Presentation**

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

**Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

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

**WAYNE TOWNSHIP  
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

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

Governmental Funds

The Township classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Township's major governmental funds are the General Fund, Gasoline Tax Fund, Road and Bridge Fund, Special Levy Fund, and the Permissive Motor Vehicle Fund. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio. The Gasoline Tax Fund and the Permissive Motor Vehicle Fund receive gasoline tax receipts and permissive motor vehicle license receipts and the Road and Bridge Fund receives tax receipts to pay for the construction, maintenance and repair of Township roads and bridges. The Special Levy fund receives property tax receipts to pay for the construction of the Township's Hall. The other governmental funds of the Township account for other resources whose use is restricted to a particular purpose.

C. Basis of Accounting

The Township's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Township's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

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

**WAYNE TOWNSHIP  
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

**D. Budgetary Process**

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

The appropriations ordinance is the Board of Trustee’s authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Board. The legal level of control has been established at the fund, function, and object level for all funds.

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

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

**E. Cash**

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

During 2005, the Township maintained an interest bearing checking account and a certificate of deposit.

Interest earnings are allocated to Township funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2005 was \$214.

**F. Capital Assets**

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

**G. Employer Contributions to Cost-Sharing Pension Plans**

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

**WAYNE TOWNSHIP  
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

**H. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for road and bridge construction, maintenance and repair in the Gasoline Tax Fund, the Road and Bridge Fund, and the Permissive Motor Vehicle Fund. Assets restricted for the construction of the Township Hall include resources in the Special Levy Fund.

The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which there are limitations imposed on their use.

**Note 3 – Change in Presentation**

In 2004, the Township reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. This year the Township has implemented a new financial reporting model, as required by the provisions of the Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - Management's Discussion and Analysis – for State and Local Governments, as described in note 2. The fund financial statements now present each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type.

In addition, for fiscal year 2005, the Township has implemented Governmental Accounting Standards Board (GASB) Statement No. 40, "*Deposits and Investment Risk Disclosure*". GASB Statement No. 40 creates new disclosure requirements for deposits and investments related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. The implementation of this statement had no effect on the Township's financial statements for fiscal year 2005.

**Note 4 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General fund, Gasoline Tax Fund, Road and Bridge Fund, Special Levy Fund and the Permissive Motor Vehicle License Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget.

**Note 5 – Deposits and Investments**

Monies held by the Township are classified by State statute into three categories.

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

**WAYNE TOWNSHIP  
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

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**Note 5 – Deposits and Investments (Continued)**

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

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

Interim monies held by the Township can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Township, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

**WAYNE TOWNSHIP  
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

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**Note 5 – Deposits and Investments (Continued)**

Deposits

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

**Note 6 – Property Taxes**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Township. Real property tax receipts received in 2005 represent the collection of 2004 taxes. Real property taxes received in 2005 were levied after October 1, 2004, on the assessed values as of January 1, 2004, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2005 represent the collection of 2004 taxes. Public utility real and tangible personal property taxes received in 2005 became a lien on December 31, 2003, were levied after October 1, 2003, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2005 (other than public utility property) represent the collection of 2004 taxes. Tangible personal property taxes received in 2005 were levied after October 1, 2003, on the true value as of December 31, 2003. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Township operations for the year ended December 31, 2005, was \$2.50 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2004 property tax receipts were based are as follows:

**WAYNE TOWNSHIP  
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

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**Note 6 – Property Taxes (Continued)**

Real Property:	
Residential	\$ 8,766,980
Agriculture	6,267,770
Commercial/Industrial/Mineral	4,348,360
Public Utility Property:	
Personal	647,710
Tangible Personal Property	7,025,970
Total Assessed Value	<u>\$ 27,056,790</u>

**Note 7 – Risk Management**

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

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

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member townships pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**Casualty Coverage**

OTARMA retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. Townships can elect additional coverage, from \$2,000,000 to \$12,000,000 with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust OTARMA's retained earnings, APEEP provides excess of funds available coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

**Property Coverage**

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence. APEEP's Guarantee Fund was responsible for losses and loss adjustment expenses exceeding operating contributions.

**WAYNE TOWNSHIP  
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

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**Note 7 – Risk Management (Continued)**

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable value. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2005 was \$1,682,589.

The aforementioned casualty and property reinsurance agreements do not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective township.

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

Members may withdraw on each anniversary of the date they joined OTARMA. They must provide written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contribution, minus the subsequent year's premium. Also upon withdrawal, payments for all property and casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the withdrawal.

**Financial Position**

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2005 and 2004.

Casualty Coverage	<u>2005</u>	<u>2004</u>
Assets	\$30,485,638	\$28,132,620
Liabilities	(12,344,576)	(11,086,379)
Retained earnings	\$18,141,062	\$17,046,241

Property Coverage	<u>2005</u>	<u>2004</u>
Assets	\$9,177,796	\$7,588,343
Liabilities	(1,406,031)	(543,176)
Retained earnings	\$7,771,765	\$7,045,167

The Casualty Coverage assets and retained earnings above include approximately \$11.6 million and \$10.3 million of unpaid claims to be billed to approximately 950 member townships in the future, as of December 31, 2005 and 2004, respectively. OTARMA will collect these amounts in future annual premium billings when OTARMA's related liabilities are due for payment. The Township's share of these unpaid claims is approximately \$10,886.

**WAYNE TOWNSHIP  
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

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**Note 8 – Defined Benefit Pension Plans**

Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6701 or (800) 222-7377.

For the year ended December 31, 2005, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. The employer contribution rate for pension benefits for 2005 was 9.55 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Township's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2005, 2004, and 2003 were \$4,007, \$5,029, and \$4,270, respectively.

**Note 9 - Postemployment Benefits**

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4 percent of covered payroll was the portion that was used to fund health care.

**WAYNE TOWNSHIP  
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

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**Note 9 - Postemployment Benefits (Continued)**

Ohio Public Employees Retirement System (Continued)

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between 0.50 percent and 6.3 percent based on additional annual pay increases.

Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1 to 6 percent annually for the next eight years and 4 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 376,109. Actual Township contributions for 2005 which were used to fund postemployment benefits were \$1,183. The actual contribution and the actuarially required contribution amounts are the same. The actuarial value of OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) was \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.



## Auditor of State Betty Montgomery

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

Wayne Township  
Knox County  
16560 Pinkley Road  
Fredericktown, Ohio 43019

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wayne Township, Knox County, Ohio, (the Township) as of and for the year ended December 31, 2005, which collectively comprise the Township's basic financial statements. We have issued our report thereon dated November 10, 2006 wherein we noted the Township revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.* We also noted that the Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Township's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statements. A reportable condition is described in the accompanying schedule of findings as item number 2005-001.

A material weakness is a reportable condition in which the design of operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. Our consideration of the internal control over the financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. However, we do not believe the reportable condition described above is a material weakness.

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[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

### **Compliance and Other Matters**

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the schedule of findings as finding numbers 2005-002, 2005-003 and 2005-004. In a separate letter to the Township's management dated November 10, 2006, we reported other matters related to noncompliance that we deemed immaterial.

We intend this report solely for the information and use of the management and Board of Trustees. It is not intended for anyone other than these specified parties.



**Betty Montgomery**  
Auditor of State

November 10, 2006

**WAYNE TOWNSHIP  
KNOX COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2005**

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

**FINDING NUMBER 2005-001**

**Reportable Condition - Ledger Postings**

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

The Township Fiscal Officer did not properly post revenues and expenditures to the Township's accounting ledgers in 2005. The following was noted:

- Intergovernmental revenue legally designated for the Road and Bridge Fund was posted to the General Fund.
- Instances where intergovernmental revenue was posted as tax receipts in the Special Levy fund and the Permissive Motor Vehicle License Fund.
- Tax revenue received in the General Fund and Road and Bridge Fund was posted at the "net" amount, and as a result, the related expenditure for auditor and treasurer fees was not recorded to the ledgers.
- Interest earnings from the Township's Cemetery Bequest certificate of deposit were recorded to the Township's General Fund, rather than being reflected as interest earned by the permanent fund.
- Federal Emergency Management Agency (FEMA) grant funding was posted as taxes in the General Fund. These receipts should have been recorded as intergovernmental revenue in the designated FEMA fund. In addition, the related expenditure of this federal grant funding was recorded in the General Fund, rather than in the FEMA Fund.

The above resulted in the inability to readily reconcile amounts distributed from the State of Ohio and Knox County to the Township's records and necessary audits adjustments that materially affected the Township's fund balances in several funds. It is vitally important that receipts and expenditures be posted accurately to the correct fund and line item for Township management to track available cash fund balances.

We recommend that the Township's Fiscal Officer take steps to ensure the accurate posting of tax revenue, intergovernmental revenue, interest receipts and all grant funding. In addition, tax receipts should be recorded at the gross amount, and the related auditor and treasurer fees should be accurately recorded as an expense. The Township Fiscal Officer should consult the Uniform Accounting Network handbook as questions arise over posting of various receipts and expenditures.

WAYNE TOWNSHIP  
KNOX COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2005  
(Continued)

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

FINDING NUMBER 2005-001 (Continued)

Reportable Condition - Ledger Postings (Continued)

Officials' Response:

The Township has elected not to respond to this finding.

FINDING NUMBER 2005-002

Noncompliance Citation - Posting Errors - Distribution of Revenue

**Ohio Revised Code § 5705.10** states that all revenue from a source other than the general property tax and which the law prescribes shall be used for a particular purpose is to be paid into a special fund for such purpose.

In 2005, the Fiscal Officer posted \$3,108 of homestead and rollback receipts designated for the Road and Bridge Fund to the General Fund.

An adjustment to correct the error was posted by the Fiscal Officer to the accounting system, and is reflected in the 2005 financial statements.

Officials' Response:

The Township has elected not to respond to this finding.

FINDING NUMBER 2005-003

Noncompliance Citation - Interest Allocation

**Ohio Revised Code Section 5705.131** allows a taxing authority to establish a permanent fund for the purpose of receiving donations or contributions that the donor or contributor requires to be maintained intact. Further, the statute provides that interest earned on principal of such a fund must be credited to the permanent fund to which the principal belongs.

The Township fiscal officer posted \$22 of interest earned on the principal of the permanent Cemetery Trust Fund to the General Fund in 2005.

An adjustment to correct this error was posted by the Fiscal Officer to the accounting system, and is reflected in the 2005 financial statements.

WAYNE TOWNSHIP  
KNOX COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2005  
(Continued)

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

FINDING NUMBER 2005-003 (Continued)

Noncompliance Citation - Interest Allocation (Continued)

Officials' Response:

The Township has elected not to respond to this finding.

FINDING NUMBER 2005-004

Noncompliance Citation - Township Insurance

**Ohio Revised Code § 505.60** provides that the board of township trustees of any township may procure and pay all or any part of the cost of insurance policies that may provide benefits for hospitalization, surgical care, major medical care, disability, dental care, eye care, medical care, hearing aids, prescription drugs, or sickness and accident insurance, or a combination of any of the foregoing types of insurance for township officers and employees. It further states that a board of township trustees may reimburse a township officer or employee for the out-of-pocket premium attributable to that officer or employee for health care coverage provided through the employer of the spouse of the officer or employee if the officer or employee is denied coverage under a policy procured by the township under ORC §505.60, or if the officer or employee elects not to participate in the township's health care plan. The amount of reimbursement is limited to "an amount equal to the average premium paid by the township for its officers and employees under policies it procures".

**Ohio Revised Code § 505.601** provides that if a board of township trustees chooses not to provide health care coverage to its officers and employees in accordance with Ohio Revised Code § 505.60, the board of trustees may reimburse an officer or employee for the out-of-pocket premium attributable to that officer or employee for health care coverage provided through the employer of a spouse of the officer or employee. The board of trustees must establish a reimbursement policy via resolution and the policy should indicate "a uniform maximum monthly or yearly payment amount for each officer or employee, beyond which the township will not reimburse the officer or employee".

Per Ohio Attorney General's Opinion No. 2005-038, the provisions of ORC § 505.601 and ORC § 505.60 are "mutually exclusive", and as such, if a township chooses to make coverage available to its officers and employees under §505.60, the township may not offer reimbursement specified in §505.601.

The Township has procured a dental insurance policy for its officials and employees under Ohio Revised Code §505.60. As a result, the Township may only provide reimbursement to officials or employees for out-of-pocket premiums under the provisions of §505.60, which limits the amount of the reimbursement to the average premium paid by the Township for its officers or employees for the insurance coverage the Township has procured. However, the Township has been reimbursing its officials and employees under the provision of §505.601 for their out-of-pocket health care costs, other than dental, based on a maximum monthly or yearly payment.

**WAYNE TOWNSHIP  
KNOX COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2005  
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

**FINDING NUMBER 2005-004(Continued)**

**Noncompliance Citation - Township Insurance (Continued)**

We recommend the Township work with its legal counsel to determine which statute, if any, suits their health insurance needs. Should the Township elect to continue to procure insurance coverage for its officials or employees, we recommend that the Township reimburse its officials or employees only in accordance with the provisions outlined in Ohio Revised Code § 505.60. The amount of the reimbursement should be based upon the average premium paid by the Township for its officers or employees under the policies that Township has procured. Conversely, should the Township elect to reimburse its officials and employees, we recommend that the Township reimburse its officials or employees only in accordance with the provisions outlined in Ohio Revised Code § 505.601.

**Officials' Response:**

The Township has elected not to respond to this finding.

**WAYNE TOWNSHIP  
KNOX COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2005**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2004-001	Reportable Condition - Ledger Postings	No	Repeated in current period as Finding 2005-001
2004-002	ORC §5705.10 – Posting Error	No	Repeated in current period as Finding 2005-002
2004-003	ORC §5705.131 – Allocation of interest	No	Repeated in current period as Finding 2005-003
2004-004	ORC §505.60, ORC §505.601 and Ohio Attorney General's Opinion 2005-38 – Township Insurance	No	Repeated in current period as Finding 2005-004





**Auditor of State  
Betty Montgomery**

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**WAYNE TOWNSHIP**

**KNOX 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  
JANUARY 4, 2007**