



Mary Taylor, CPA
Auditor of State

**WAYNE TOWNSHIP
COLUMBIANA COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Wayne Township
Columbiana County
13209 State Route 164
Lisbon, Ohio 44432

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, Columbiana 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, Columbiana County, Ohio, as of December 31, 2005, and the respective changes in modified cash financial position and the respective budgetary comparison for the General, Gasoline Tax, Road & Bridge, and Fire District funds 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 January 9, 2007, 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.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Mary Taylor, CPA
Auditor of State

January 9, 2007

Wayne Township, Columbiana County
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

This discussion and analysis of Wayne Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2005, within the limitations of the Township's modified cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Township's financial performance.

Highlights

Key highlights for 2005 are as follows:

Net assets of governmental activities decreased \$20,134.31, a significant change from the prior year.

The Township's general receipts are primarily property and other local taxes, and intergovernmental revenues. These receipts represent 32.16% and 18.00%, respectively, of the total cash received for governmental activities during the year.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Township's cash basis of accounting.

Report Components

The Statement of Net Assets and the Statement of Activities provide information about the cash activities of the Township as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Township as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Township has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Township's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Township as a Whole

The Statement of Net Assets and the Statement of Activities reflect how the Township did financially during 2005, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Township at year end. The statement of activities compares cash disbursements with program receipts for each governmental program activity. 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. The comparison of cash disbursements with program receipts identifies how each governmental function activity draws from the Township's general receipts.

These statements report the Township's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Township's financial health. Over time, increases or decreases in the Township's cash position is one indicator of whether the Township's financial health is improving or deteriorating. When evaluating the Township's financial condition, you should also consider other nonfinancial factors such as the Township's property tax base, the condition of the Township's capital assets, the extent of the Township's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

In the statement of net assets and the statement of activities, the Township has one type of activity:

Governmental activities - All of the Township's basic services are reported here. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Township's Most Significant Funds

Fund financial statements provide detailed information about the Township's major funds – not the Township as a whole. The Township establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Township are governmental.

Governmental Funds - All of the Township's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Township's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Township's programs. The Township's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Township's major governmental funds are: General Fund, Gasoline Fund, Road and Bridge Fund, and Fire District Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

Wayne Township, Columbiana County
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2005 compared to 2004 on a cash basis.

(Table 1)

Net Assets - Cash Basis

	Governmental Activities	
	2005	2004
Assets		
Equity in Pooled Cash and Cash Equivalents	\$ 35,764.53	\$ 55,898.84
Total Assets	\$ 35,764.53	\$ 55,898.84
Net Assets		
Restricted for:		
Debt Service	\$ 1,133.38	\$ 1,133.38
Other Purposes	28,980.11	43,032.70
Unrestricted	5,651.04	11,732.76
Total Net Assets	\$35,764.53	\$55,898.84

The net assets of governmental activities decreased \$20,134.31 during 2005. Primarily the Township chipped and sealed many Township roads in 2004 creating a large expense in road materials and supplies. Due to cash flow problems these expenses were not able to be paid in a timely manner in 2004. The Township had a larger carry over at year end but owed prior year payments for the 2004 chip and seal program. For this reason a decrease in cash balance is shown between 2004 and 2005.

Table 2 reflects the changes in net assets in 2005. Since the Township did not prepare financial statements in this format for 2004, a comparative analysis of government-wide data has not been presented. In future years, when prior year information is available, a comparative analysis will be presented.

Wayne Township, Columbiana County
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

(Table 2)
Changes in Net Assets

	Governmental Activities 2005
Receipts:	
Program Receipts:	
Charges for Services and Sales	\$ 5,330.66
Operating Grants and Contributions	95,015.85
Total Program Receipts	100,346.51
General Receipts:	
Property and Other Local Taxes	65,530.10
Intergovernmental	36,674.85
Interest	245.80
Miscellaneous	970.00
Total General Receipts	103,420.75
Total Receipts	203,767.26
Disbursements:	
General Government	33,921.88
Public Safety	35,578.06
Public Works	148,323.74
Health	2,223.35
Principal Retirement	3,457.76
Interest and Fiscal Charges	396.78
Total Disbursements	223,901.57
Increase (Decrease) in Net Assets	(20,134.31)
Net Assets, January 1, 2005	55,898.84
Net Assets, December 31, 2005	\$ 35,764.53

Program receipts represent 49.25% of total receipts and are primarily comprised of operating grants and contributions, and charges for services and sales.

General receipts represent 50.75% of the Township's total receipts, and of this amount, 63.36% are property and other local taxes. Intergovernmental receipts are 35.46%. Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for general government represent the overhead costs of running the Township and the support services provided for the other Township activities. Disbursements for public safety represent the costs of providing fire services. Disbursements for public works represent the costs for constructing, maintaining, and repairing Township roads.

Wayne Township, Columbiana County
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

Governmental Activities

If you look at the Statement of Activities on page 10, you will see that the first column lists the major services provided by the Township. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for public works, which account for 66.23% of all governmental disbursements. General government and public safety also represent a significant cost, about 15.15% and 15.89%, respectively. The next three columns of the Statement entitled Program Cash Receipts identify amounts paid by people who are directly charged for the service and grants received by the Government that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

Governmental Activities

	Total Cost Of Services 2005	Net Cost of Services 2005
General Government	\$ 33,921.88	\$ (33,921.88)
Public Safety	35,578.06	(35,578.06)
Public Works	148,323.74	(47,977.23)
Health	2,223.35	(2,223.35)
Principal Retirement	3,457.76	(3,457.76)
Interest and Fiscal Charges	396.78	(396.78)
Total Expenses	\$ 223,901.57	\$ (123,555.06)

There is a dependence upon property and income tax receipts as 55.18% of governmental activities are supported through these general receipts.

The Township's Funds

Total governmental funds had receipts of \$203,767.26 and disbursements of \$223,901.57. The greatest change within governmental funds occurred within the General Fund and the Road and Bridge Fund.

General Fund receipts were less than disbursements by \$6,081.72 and the Road and Bridge Fund receipts were less disbursements by \$10,622.05 indicating that the General Fund and Road and Bridge Fund are in a deficit spending situation. It was the recommendation by the Board of Trustees that a new one mill Capital Equipment Levy be placed on the ballot before registered voters in 2006. This revenue would be used for new equipment purchase and repair and maintenance of existing equipment.

General Fund Budgeting Highlights

The Township's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2005, the Township amended its General Fund budget several times to reflect changing circumstances. Final budgeted receipts were above original budgeted receipts. The difference between final budgeted receipts and actual receipts was not significant.

Final disbursements were budgeted at \$98,649 while actual disbursements were \$47,646. At years end the Township had spent approximately 48% of the budgeted amounts.

Capital Assets and Debt Administration

Capital Assets

The Township does not currently keep track of its capital assets and infrastructure.

Debt

At December 31, 2005, the Government's outstanding debt included \$7,359.52 in bond retirement issued for the purchase of a truck.

Current Issues

The challenge for the Township is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking funding. We rely heavily on local taxes and have very little industry to support the tax base. Our newly prepared financial forecast predicts little change for 2007; therefore, the Board implemented a strategy to increase the financial stability of the Township. This plan became effective for 2006. We reviewed our sources of revenue and determined the need to place a new one mill capital equipment levy on the ballot for equipment purchase and equipment repair and maintenance. We then reviewed the disbursement history of the Township. We have reduced the volume of road mileage being prepared for the chip and seal program in 2006. No roads will be chip and sealed at this time. All Board members have been asked to closely monitor expenses.

Contacting the Township's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to reflect the Township's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Nancy Dailey, Fiscal Officer, Wayne Township, 13209 State Route 164 Lisbon, Ohio 44432.

WAYNE TOWNSHIP
COLUMBIANA COUNTY
Statement of Net Assets - Cash Basis
December 31, 2005

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$35,765</u>
<i>Total Assets</i>	<u><u>\$35,765</u></u>
Net Assets	
Restricted for:	
Debt Service	\$1,133
Other Purposes	28,980
Unrestricted	<u>5,652</u>
<i>Total Net Assets</i>	<u><u>\$35,765</u></u>

See accompanying notes to the basic financial statements.

WAYNE TOWNSHIP
COLUMBIANA 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 and Contributions	Governmental Activities
Governmental Activities				
General Government	\$33,922			(\$33,922)
Public Safety	35,578			(35,578)
Public Works	148,324	\$5,331	\$95,016	(47,977)
Health	2,223			(2,223)
Debt Service	3,855			(3,855)
<i>Total Governmental Activities</i>	<u>223,902</u>	<u>5,331</u>	<u>95,016</u>	<u>(123,555)</u>
		General Receipts		
		Property Taxes Levied for:		
		General Purposes		11,357
		Road and Bridge		22,555
		Fire District		31,618
		Grants and Entitlements not Restricted to Specific Programs		36,675
		Interest		246
		Miscellaneous		970
		<i>Total General Receipts</i>		<u>103,421</u>
		Change in Net Assets		(20,134)
		<i>Net Assets Beginning of Year</i>		<u>55,899</u>
		<i>Net Assets End of Year</i>		<u>\$35,765</u>

See accompanying notes to the basic financial statements

WAYNE TOWNSHIP
COLUMBIANA COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2005

	General	Gasoline Tax	Road and Bridge	Fire District	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$5,652	\$19,628	\$1,753	\$3,350	\$5,382	\$35,765
<i>Total Assets</i>	<u>\$5,652</u>	<u>\$19,628</u>	<u>\$1,753</u>	<u>\$3,350</u>	<u>\$5,382</u>	<u>\$35,765</u>
Fund Balances						
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	5,652					5,652
Special Revenue Funds		19,628	1,753	3,350	4,249	28,980
Debt Service Fund					1,133	1,133
<i>Total Fund Balances</i>	<u>\$5,652</u>	<u>\$19,628</u>	<u>\$1,753</u>	<u>\$3,350</u>	<u>\$5,382</u>	<u>\$35,765</u>

See accompanying notes to the basic financial statements

WAYNE TOWNSHIP
COLUMBIANA COUNTY
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2005

	General	Gasoline Tax	Road and Bridge	Fire District	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and Other Local Taxes	\$11,357		\$22,555	\$31,618	\$5,331	\$70,861
Intergovernmental	29,956	\$80,236	2,688	4,031	14,779	131,690
Interest	182	25			39	246
Other	70		900			970
<i>Total Receipts</i>	<u>41,565</u>	<u>80,261</u>	<u>26,143</u>	<u>35,649</u>	<u>20,149</u>	<u>203,767</u>
Disbursements						
Current:						
General Government	33,922					33,922
Public Safety				35,578		35,578
Public Works	11,501	79,053	36,765		21,004	148,323
Health	2,223					2,223
Principal Retirement					3,458	3,458
Interest and Fiscal Charges					397	397
<i>Total Disbursements</i>	<u>47,646</u>	<u>79,053</u>	<u>36,765</u>	<u>35,578</u>	<u>24,859</u>	<u>223,901</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(6,081)</u>	<u>1,208</u>	<u>(10,622)</u>	<u>71</u>	<u>(4,710)</u>	<u>(20,134)</u>
Other Financing Sources (Uses)						
Transfers In					3,855	3,855
Transfers Out			(3,855)			(3,855)
Advances In	1,694		794		900	3,388
Advances Out	(1,694)		(794)		(900)	(3,388)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>(3,855)</u>	<u>0</u>	<u>3,855</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(6,081)</u>	<u>1,208</u>	<u>(14,477)</u>	<u>71</u>	<u>(855)</u>	<u>(20,134)</u>
<i>Fund Balances Beginning of Year</i>	<u>11,733</u>	<u>18,420</u>	<u>16,230</u>	<u>3,279</u>	<u>6,237</u>	<u>55,899</u>
<i>Fund Balances End of Year</i>	<u>\$5,652</u>	<u>\$19,628</u>	<u>\$1,753</u>	<u>\$3,350</u>	<u>\$5,382</u>	<u>\$35,765</u>

See accompanying notes to the basic financial statements

**WAYNE TOWNSHIP
COLUMBIANA COUNTY**

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$7,473	\$7,568	\$11,357	\$3,789
Intergovernmental	22,247	22,529	29,956	7,427
Interest	176	178	182	4
Other	-	0	70	70
<i>Total receipts</i>	<u>29,896</u>	<u>30,275</u>	<u>41,565</u>	<u>11,290</u>
Disbursements				
Current:				
General Government	36,528	68,336	33,922	34,414
Public Works	11,963	25,890	11,501	14,389
Health	2,200	4,423	2,223	2,200
<i>Total Disbursements</i>	<u>50,691</u>	<u>98,649</u>	<u>47,646</u>	<u>51,003</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(20,795)</u>	<u>(68,374)</u>	<u>(6,081)</u>	<u>62,293</u>
Other Financing Sources (Uses)				
Transfers In	9,101	9,217		(9,217)
Advances In			1,694	1,694
Advances Out			(1,694)	(1,694)
<i>Total Other Financing Sources (Uses)</i>	<u>9,101</u>	<u>9,217</u>	<u>0</u>	<u>(9,217)</u>
<i>Net Change in Fund Balance</i>	(11,694)	(59,157)	(6,081)	53,076
<i>Fund Balance Beginning of Year</i>	<u>11,733</u>	<u>11,733</u>	<u>11,733</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$39</u></u>	<u><u>(\$47,424)</u></u>	<u><u>\$5,652</u></u>	<u><u>\$53,076</u></u>

See accompanying notes to the basic financial statements

**WAYNE TOWNSHIP
COLUMBIANA 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>	
Receipts				
Intergovernmental	\$ 53,073	\$ 66,365	\$ 80,236	\$ 13,871
Interest	53	66	25	(41)
<i>Total receipts</i>	<u>53,126</u>	<u>66,431</u>	<u>80,261</u>	<u>13,830</u>
Disbursements				
Current:				
Public Works	69,607	153,500	79,053	74,447
<i>Total Disbursements</i>	<u>69,607</u>	<u>153,500</u>	<u>79,053</u>	<u>74,447</u>
<i>Net Change in Fund Balance</i>	<u>(16,481)</u>	<u>(87,069)</u>	<u>1,208</u>	<u>88,277</u>
<i>Fund Balance Beginning of Year</i>	<u>18,420</u>	<u>18,420</u>	<u>18,420</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,939</u></u>	<u><u>(\$68,649)</u></u>	<u><u>\$19,628</u></u>	<u><u>\$88,277</u></u>

See accompanying notes to the basic financial statements

**WAYNE TOWNSHIP
COLUMBIANA 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*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$30,542	\$31,200	\$22,555	(\$8,645)
Intergovernmental	3394	4643	2688	(1,955)
Other		1300	900	(400)
<i>Total receipts</i>	<u>33,936</u>	<u>37,143</u>	<u>26,143</u>	<u>(11,000)</u>
Disbursements				
Current:				
Public Works	38,166	88,925	36,765	52,160
<i>Total Disbursements</i>	<u>38,166</u>	<u>88,925</u>	<u>36,765</u>	<u>52,160</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(4,230)</u>	<u>(51,782)</u>	<u>(10,622)</u>	<u>41,160</u>
Other Financing Sources (Uses)				
Transfers Out		(5,782)	(3,855)	1,927
Advances In			794	794
Advances Out			(794)	(794)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(5,782)</u>	<u>(3,855)</u>	<u>1,927</u>
<i>Net Change in Fund Balance</i>	(4,230)	(57,564)	(14,477)	43,087
<i>Fund Balance Beginning of Year</i>	<u>16,230</u>	<u>16,230</u>	<u>16,230</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$12,000</u>	<u>(\$41,334)</u>	<u>\$1,753</u>	<u>\$43,087</u>

See accompanying notes to the basic financial statements

**WAYNE TOWNSHIP
COLUMBIANA COUNTY**

*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Fire District Fund
For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$29,378	\$31,657	\$31,618	(\$39)
Intergovernmental	3,297	3,913	4,031	118
<i>Total receipts</i>	<u>32,675</u>	<u>35,570</u>	<u>35,649</u>	<u>79</u>
Disbursements				
Current:				
Public Safety	36,238	73,164	35,578	37,586
<i>Total Disbursements</i>	<u>36,238</u>	<u>73,164</u>	<u>35,578</u>	<u>37,586</u>
<i>Net Change in Fund Balance</i>	<u>(3,563)</u>	<u>(37,594)</u>	<u>71</u>	<u>37,665</u>
<i>Fund Balance Beginning of Year</i>	<u>3,279</u>	<u>3,279</u>	<u>3,279</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>(\$284)</u></u>	<u><u>(\$34,315)</u></u>	<u><u>\$3,350</u></u>	<u><u>\$37,665</u></u>

See accompanying notes to the basic financial statements

Note 1 – Description of the Township and Reporting Entity

Wayne Township, Columbiana County, (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 also has an elected Township Fiscal Officer.

A reporting entity is comprised of the primary government, component units and other organizations included to ensure that the basic financial statements of the Township are not misleading.

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 and maintenance of Township roads and bridges. The Township contracts with Franklin Township Volunteer Fire Department, Highlandtown Volunteer Fire Department, and West Point Volunteer Fire Department for fire protection.

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

Note 2 – Summary of Significant Accounting Policies

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 Township. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net assets presents the cash balance and debt 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, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support 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.

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. The Township's funds are classified as governmental.

Governmental Funds

Governmental funds are financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions. The following are the Township's major governmental funds:

General Fund – This 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.

Gasoline Tax Fund – This fund is required by the Ohio Revised Code to account for State gasoline tax and motor vehicle registration fees designated for the maintenance of roads within the township.

Road and Bridge Fund – This fund is required by the Ohio Revised Code to account for State gasoline tax and motor vehicle registration fees designated for maintenance of roads within the township.

Fire District Fund – This fund accounts for revenues from a fire levy to provide fire protection services.

The other governmental funds of the Township account for grants and 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.

Note 2 – Summary of Significant Accounting Policies (continued)

D. Budgetary Process

All 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 Township's authorization to spend resources and sets limits on disbursements plus encumbrances at the level of control selected by the Township. The legal level of control has been established at the fund, department, 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 Township 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 Township.

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 Township during the year.

E. Cash and Investments

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".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. 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 negative receipts (contra revenue), respectively.

During 2005, the Township invested in nonnegotiable certificates of deposits.

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 \$181.91.

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation.

G. Inventory and Prepaid Items

The Township reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Note 2 – Summary of Significant Accounting Policies (continued)

H. 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.

I. Interfund Receivables/Payables

The Township reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

J. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Township's cash basis of accounting.

K. Employer Contributions to Cost-Sharing Pension Plans

The Township recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid.

L. Long-Term Obligations

The Township's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

M. 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. The Township's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Fund Balance Reserves

The Township reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

Note 3 – Change in Basis of Accounting and Restatement of Fund Equity

Last year 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 the cash basis of accounting 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.

Wayne Township
Columbiana County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 3 – Change in Basis of Accounting and Restatement of Fund Equity (Continued)

	General	Other Governmental	Governmental Activities
Fund Balance December 31, 2004	\$11,732.76	\$44,166.08	\$55,898.84
Adjusted Fund Balance December 31, 2004	\$11,732.76	\$44,166.08	
Government-Wide Financial Statement Adjustments:			
Governmental Activities Net Assets December 31, 2004			\$55,898.84

Note 4 – Compliance

Contrary to Ohio law, the Village did not properly encumber all commitments.

Note 5 – 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, and fire district fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis) (and outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis)). The encumbrances outstanding at year end (budgetary basis) amounted to:

	Encumbrances outstanding @ 12/31/05 (budgetary basis)
General Fund	\$161.52
Gasoline Tax Fund	392.51
Road and Bridge Fund	57.78
Fire District Fund	0.00

Note 6 – 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.

Inactive deposits are public deposits that the Trustees have 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.

Wayne Township
Columbiana County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 6 – Deposits and Investments (continued)

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.

Deposits

At year end, the carrying amount of the Township's deposits was \$35,764.53 and the bank balance was \$61,787.24. Of the bank balance \$61,787.24 was covered by federal depository insurance and \$0.00 was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Township to a successful claim by the FDIC.

Note 7 – Property Taxes

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

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

Wayne Township
Columbiana County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 7 – Property Taxes (continued)

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.

Note 8 – Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2005 the Township contracted with The Ohio Plan Government Risk Management a risk sharing pool available to Ohio Townships. The Ohio Plan provides property and casualty coverage for its members. Member governments pay annual contributions to fund The Ohio Plan. The Ohio Plan pays judgments, settlements, and other expenses resulting from covered claims that exceed the members' deductibles. Coverage provided by The Ohio Plan is as follows:

Legal Liability	\$1,000,000	Per Occurrence
Automobile Liability	\$1,000,000	Per Occurrence
Law Enforcement Operations	Excluded	Per Occurrence
Wrongful Acts	\$1,000,000	Per Occurrence
Property	\$155,925	Total Coverage
Boiler and Machinery	\$155,925	Limit

There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the past three years. The Township pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is based on accident history and administrative costs.

Note 9 – Retirement System

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

The Ohio Revised Code also prescribes contribution rates. For 2005, members of OPERS members contributed 8.5 percent of their gross salaries. The Township contributed an amount equaling 13.55 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2005.

Note 10 – Debt

Debt outstanding at December 31, 2005 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
1991 International Truck Note	\$7,360	3.85%

On September 8, 2003, the Township entered into an agreement to purchase a 1991 International Truck with snow plow and salt spreader from Perry Township for \$15,000. The Township financed the purchase of the truck with a note from Consumers National Bank. The note was issued for \$14,145 at an interest rate of 3.85%. The note was entered into on October 29, 2003 for a period of 4 years. The note will be repaid in annual installments of \$3,854.54, including interest, over the 4 year term. The Truck Note is backed by a note secured by business security agreements.

Wayne Township
Columbiana County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 10 – Debt (Continued)

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

	1991 International Truck
Year ending December 31:	
2006	\$3,855
2007	3,863
Total	<u>\$7,718</u>

Note 11 – Interfund Transfers

During 2005 the following transfers were made:

Transfers from the Road and Bridge Fund to:	
Other Governmental Fund	<u>\$3,854.54</u>
Total Transfers from the General Fund	<u>\$3,854.54</u>

The transfer is allocated for the debt service payment for the previously noted truck payment.

Note 12 – Subsequent Events

Since the Tangible Personal Property Tax will be replaced with the Commercial Activity Tax the township will eventually be affected after the five year phase-in of CAT. According to a memo by our County Auditor, a reimbursement schedule has been established by the state to hold our subdivision harmless for the next five years.



Mary Taylor, CPA

Auditor of State

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

Wayne Township
Columbiana County
13209 State Route 164
Lisbon, Ohio 44432

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, Columbiana County, Ohio, (the Township) as of and for the year ended December 31, 2005, which collectively comprise the Township's basic financial statements and have issued our report thereon dated January 9, 2007. 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*. We also noted that the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township because the Auditor of State designed, developed, implemented, and, as requested, operates UAN.

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. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Township's management dated January 9, 2007, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

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 an instance of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2005-001. In a separate letter to the Township's management dated January 9, 2007, we reported other matters related to noncompliance we deemed immaterial.

Wayne Township
Columbiana County
Independent Accountants' Report on Internal Control Over Financial Reporting
And on Compliance and Other Matters Required by *Government Auditing Standards*
Page 2

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.

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

Mary Taylor, CPA
Auditor of State

January 9, 2007

WAYNE TOWNSHIP
COLUMBIANA 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

Noncompliance Citation

Ohio Rev. Code Section 5705.41(D) states, in part, that no orders or contracts involving the expenditure of money are to be made unless a certificate of the fiscal officer certifying that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such certification shall be null and void and no warrant shall be issued in payment of any amount

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in Sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. Then and Now Certificate: If the fiscal officer can certify both at the time that the contract or order was made (then) at the time that the fiscal officer is completing the certification (now), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrances, the taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has 30 days from the receipt of the (then and now) certificate to approve payment by resolution or ordinance.

Amounts of less than \$3,000 (\$1,000 prior to April 7, 2003) may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Township.

2. Blanket Certificate: Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. (Prior to September 26, 2003, blanket certificates were limited to \$5,000 and three months.) The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate: The Township may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal office for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

The Township did not always certify funds at the time of the commitment. We noted 8 out of the 30 expenditures tested were not properly certified by the fiscal officer. We noted 1 instance out of the 30 expenditures tested where the Township did not issue a purchase order. Incurring obligations prior to the fiscal officer's certification could result in the Township spending more than appropriated or more than the Township has available to spend.

We recommend that the Township implement policies and procedures to ensure the Township certifies funds in compliance with Ohio Revised Code Section 5705.41(D).

**WAYNE TOWNSHIP
COLUMBIANA 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; <i>Explain</i>
2004-001	Revised Code § 5705.41(D), failure to encumber funds	No	See finding #2005-001



Mary Taylor, CPA
Auditor of State

WAYNE TOWNSHIP

COLUMBIANA 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
APRIL 3, 2007**