

**WAYNE TOWNSHIP
COLUMBIANA COUNTY
Regular Audit
December 31, 2007 and 2006**



Mary Taylor, CPA
Auditor of State

Board of Trustees
Wayne Township
13209 State Route 164
Lisbon, OH 44432

We have reviewed the *Independent Accountants' Report* of Wayne Township, Columbiana County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2006 to December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Wayne Township is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

May 23, 2008

This Page is Intentionally Left Blank.

**WAYNE TOWNSHIP
COLUMBIANA COUNTY**

TABLE OF CONTENTS

| TITLE | PAGE |
|--|-------------|
| Independent Accountants' Report | 1 |
| Managements Discussion and Analysis..... | 3 |
| Government-Wide Financial Statements: | |
| Statement of Net Assets – Cash Basis For the Year Ended December 31, 2007 | 9 |
| Statement of Activities – Cash Basis For the Year Ended December 31, 2007 | 10 |
| Governmental Financial Statements: | |
| Statement of Cash Basis Assets and Fund Balances – Governmental Funds For the Year Ended December 31, 2007 | 11 |
| Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances – Governmental Funds For the Year Ended December 31, 2007 | 12 |
| Statement of Receipts, Disbursements, and Changes in Fund Balance Budget and Actual (Budget Basis) – General Fund For the Year Ended December 31, 2007 | 13 |
| Statement of Receipts, Disbursements, and Changes in Fund Balance Budget and Actual (Budget Basis) – Gasoline Tax Fund For the Year Ended December 31, 2007 | 14 |
| Statement of Receipts, Disbursements, and Changes in Fund Balance Budget and Actual (Budget Basis) – Road and Bridge Fund For the Year Ended December 31, 2007 | 15 |
| Statement of Receipts, Disbursements, and Changes in Fund Balance Budget and Actual (Budget Basis) – Fire District Fund For the Year Ended December 31, 2007 | 16 |
| Government-Wide Financial Statements: | |
| Statement of Net Assets – Cash Basis For the Year Ended December 31, 2006 | 17 |
| Statement of Activities – Cash Basis For the Year Ended December 31, 2006 | 18 |

**WAYNE TOWNSHIP
COLUMBIANA COUNTY**

**TABLE OF CONTENTS
(Continued)**

| TITLE | PAGE |
|--|-------------|
| Governmental Financial Statements: | |
| Statement of Cash Basis Assets and Fund Balances – Governmental Funds For the Year Ended December 31, 2006 | 19 |
| Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances – Governmental Funds For the Year Ended December 31, 2006 | 20 |
| Statement of Receipts, Disbursements, and Changes in Fund Balance Budget and Actual (Budget Basis) – General Fund For the Year Ended December 31, 2006 | 21 |
| Statement of Receipts, Disbursements, and Changes in Fund Balance Budget and Actual (Budget Basis) – Motor Vehicle License Tax Fund For the Year Ended December 31, 2006 | 22 |
| Statement of Receipts, Disbursements, and Changes in Fund Balance Budget and Actual (Budget Basis) – Gasoline Tax Fund For the Year Ended December 31, 2006 | 23 |
| Statement of Receipts, Disbursements, and Changes in Fund Balance Budget and Actual (Budget Basis) – Road and Bridge Fund For the Year Ended December 31, 2006 | 24 |
| Statement of Receipts, Disbursements, and Changes in Fund Balance Budget and Actual (Budget Basis) – Fire District Fund For the Year Ended December 31, 2006 | 25 |
| Notes to the Basic Financial Statements..... | 26 |
| Independent Accountants’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> | 33 |
| Schedule of Findings | 35 |
| Schedule of Prior Audit Findings | 38 |

Perry & Associates
Certified Public Accountants, A.C.

PARKERSBURG
1035 Murdoch Avenue
Parkersburg, WV 26101
(304) 422-2203

MARIETTA
428 Second Street
Marietta, OH 45750
(740) 373-0056

INDEPENDENT ACCOUNTANTS' REPORT

April 25, 2008

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 years ended December 31, 2007 and 2006, 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 an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 2, the Township has prepared these financial statements using the cash accounting basis. This practice differs from accounting principles generally accepted in the United States of America (GAAP).

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, 2007 and 2006, and the respective changes in cash financial position and the respective budgetary comparison for the General, Gasoline Tax, Road and Bridge, and Fire District Funds for 2007 and General, Motor Vehicle License Tax, Gasoline Tax, Road and Bridge, and Fire District Funds for 2006 thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2008, 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.

Respectfully Submitted,

Perry and Associates
Certified Public Accountants, A.C.

Wayne Township, Columbiana County
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

This discussion and analysis of Wayne Township's financial performance provides an overall review of the Township's financial activities for the years ended December 31, 2007 and 2006, within the limitations of the Township's 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 2007 are as follows:

Net assets of governmental activities remained fairly constant decreasing slightly from \$68,588 to \$63,655. Revenue remained stable with the gasoline tax revenue helping to maintain stability.

The Township's general receipts are primarily property and other local taxes, and intergovernmental revenues. These receipts represent 35.7% and 17.5%, respectively, of the total cash received for governmental activities during the year.

Key highlights for 2006 are as follows:

Net assets of governmental activities increased \$32,824, a significant change from the prior year. The gasoline tax produced higher revenue than was originally predicted.

The Township's general receipts are primarily property and other local taxes, and intergovernmental revenues. These receipts represent 31.3% and 17.5%, 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.

Wayne Township, Columbiana County
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

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 2007, 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, Fire District Fund, and Motor Vehicle License 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 Years Ended December 31, 2007 and 2006
Unaudited

The Township as a Whole

Table 1 provides a summary of the Township's net assets for 2007 compared to 2006 and 2005 on a cash basis.

(Table 1)

Net Assets - Cash Basis

| | Governmental Activities | | |
|--|-------------------------|------------------|------------------|
| | 2007 | 2006 | 2005 |
| Assets | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 63,655 | \$ 68,588 | \$ 35,765 |
| Total Assets | <u>\$ 63,655</u> | <u>\$ 68,588</u> | <u>\$ 35,765</u> |
| Net Assets | | | |
| Restricted for: | | | |
| Debt Service | \$ 1,133 | \$ 1,133 | \$ 1,133 |
| Special Revenue Funds | 55,640 | 59,507 | 28,980 |
| Unrestricted | <u>6,882</u> | <u>7,948</u> | <u>5,651</u> |
| Total Net Assets | <u>\$ 63,655</u> | <u>\$ 68,588</u> | <u>\$ 35,764</u> |

The net assets of governmental activities decreased \$4,933 during 2007 compared to 2006 and increased \$32,824 during 2006 compared to 2005. The history of this budget comparison goes back to 2004. 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 could not 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 was shown between 2004 and 2005. In 2006, no roads were chip and sealed. The Township concentrated on maintaining the financial stability and year end assets totaled \$68,588 in 2006 and \$63,655 in 2007. In 2007, a small percentage of the budget was allocated to the chip and seal program. In addition voters approved a Road and Bridge Capital Improvement Levy to be used for the purchase and maintenance of equipment. This passage of this levy increased revenue in 2007 allowing Wayne Township to establish more financial stability.

Table 2 reflects the changes in net assets in 2007 and 2006. A comparative analysis of government-wide data between 2006 and 2007 reflect that total receipts increased by \$8,893 while disbursements increased by \$46,649. Total net assets equaled \$63,655. The same analysis of government-wide data between 2005 and 2006 reflect that total receipts increased by \$21,779 while disbursements decreased by \$31,179. Total net assets equaled \$68,588.

Wayne Township, Columbiana County
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

(Table 2)
Changes in Net Assets

| | Governmental Activities 2007 | Governmental Activities 2006 | Governmental Activities 2005 |
|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Receipts: | | | |
| Program Receipts: | | | |
| Charges for Services and Sales | \$ - | \$ - | \$ 5,330 |
| Operating Grants and Contributions | 107,814 | 113,642 | 95,016 |
| Total Program Receipts | 107,814 | 113,642 | 100,346 |
| General Receipts: | | | |
| Property and Other Local Taxes | 83,696 | 70,505 | 65,530 |
| Intergovernmental | 40,958 | 39,370 | 36,675 |
| Interest | 818 | 276 | 246 |
| Miscellaneous | 1,153 | 1,753 | 970 |
| Total General Receipts | 126,625 | 111,904 | 103,421 |
| Total Receipts | 234,439 | 225,546 | 203,767 |
| Disbursements: | | | |
| General Government | 37,673 | 37,807 | 33,922 |
| Public Safety | 38,017 | 36,547 | 35,578 |
| Public Works | 157,472 | 112,210 | 148,324 |
| Health | 2,362 | 2,305 | 2,223 |
| Principal Retirement | 3,754 | 3,606 | 3,458 |
| Interest and Fiscal Charges | 94 | 248 | 397 |
| Total Disbursements | 239,372 | 192,723 | 223,902 |
| Increase (Decrease) in Net Assets | (4,933) | 32,823 | (20,135) |
| Net Assets, January 1, 2005 | 68,588 | 35,765 | 55,899 |
| Net Assets, December 31, 2005 | \$ 63,655 | \$ 68,588 | \$ 35,764 |

Program receipts represent 46.0% of total receipts and are primarily comprised of operating grants and contributions in 2007 and 50.4% in 2006.

General receipts represent 54.0% in 2007 and 49.6% in 2006 of the Township's total receipts, and of this amount, 66.1% in 2007 and 63.0% in 2006 are property and other local taxes. Intergovernmental receipts are 32.3% in 2007 and 35.2% in 2006. 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 Years Ended December 31, 2007 and 2006
Unaudited

Governmental Activities

If you look at the Statement of Activities, 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 65.8% of all governmental disbursements in 2007 and 58.2% in 2006. General government and public safety also represent a significant cost, about 15.7% and 15.9%, respectively in 2007 and 19.6% and 19.0% in 2006. 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 that ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts that 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 | Net Cost of Services | Total Cost Of Services | Net Cost of Services |
| | 2007 | 2007 | 2006 | 2006 |
| General Government | \$ 37,673 | \$ (37,673) | \$ 37,807 | \$ (37,807) |
| Public Safety | 38,017 | (38,017) | 36,547 | (36,547) |
| Public Works | 157,472 | (49,658) | 112,210 | 1,432 |
| Health | 2,362 | (2,363) | 2,305 | (2,305) |
| Principal Retirement | 3,754 | (3,754) | 3,606 | (3,606) |
| Interest and Fiscal Charges | 94 | (94) | 248 | (248) |
| Total Expenses | \$ 239,372 | \$ (131,559) | \$ 192,723 | \$ (79,081) |

There is a dependence upon property and income tax receipts as 52.8% of governmental activities are supported through these general receipts in 2007 and 42.8% in 2006.

The Township's Funds

Total governmental funds had receipts of \$234,439 and disbursements of \$239,372 in 2007. Total governmental funds had receipts of \$225,546 and disbursements of \$192,723 in 2006.

Total receipts were more than disbursements for all funds except the General, Gasoline Tax Fund, and Other Government Funds in 2007. The financial statements suggest that the Board was more free with their spending relying on their carry-over balance to finalize 2007 expenditures and meet spending needs. Gasoline Fund receipts were more than disbursements by \$20,616 and the Road and Bridge Fund receipts were over disbursements by \$6,981 in 2006 indicating that the Gasoline Fund and Road and Bridge Fund were more stable in 2006 than in 2005.

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. This levy was placed on the ballot and was approved by registered voters to generate \$12,115 in revenue for five years beginning 2007. This revenue is vital in the township efforts to improve the road equipment.

Wayne Township, Columbiana County
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and 2006
Unaudited

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 2007 and 2006, 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 \$47,443 while actual disbursements were \$44,417 for 2007 and \$45,136 compared to \$41,287 for 2006. The Township kept spending very close to budgeted amounts as demonstrated by the minor reported variances. The resulting fund balance is \$6,882 in 2007 and \$7,948 in 2006.

Capital Assets and Debt Administration

Capital Assets

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

Debt

At December 31, 2006, the Government's outstanding debt included \$3,754 in bond retirement issued for the purchase of a truck. The final truck payment was made in October 2007 resulting in no outstanding debt as of December 31, 2007.

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 2008; 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. This capital equipment levy has been approved by the voters and will generate \$12,115 in revenue. We then reviewed the disbursement history of the Township. We had reduced the volume of road mileage being prepared for the chip and seal program in 2007. The chip and seal road program will be performed on a limited basis during 2008. The repair and maintenance of the township road equipment has taken a toll on the township revenue. The Board is in the process of completing an application to purchase a new truck. This should decrease the money that needs to be allotted for repair for 2008. In addition, all Board members have been asked to closely monitor expenses again this year.

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
For the Year Ended December 31, 2007

| | Governmental Activities |
|--|----------------------------|
| Assets | |
| Equity in Pooled Cash and Cash Equivalents | \$ 63,655 |
| <i>Total Assets</i> | 63,655 |
| Net Assets | |
| Restricted for: | |
| Debt Service | 1,133 |
| Other Purposes | 55,640 |
| Unrestricted | 6,882 |
| <i>Total Net Assets</i> | \$ 63,655 |

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

Wayne Township, Columbiana County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2007

| | Cash Disbursements | Program Cash Receipts Operating Grants and Contributions | Net (Disbursements) Receipts and Changes in Net Assets Governmental Activities |
|---|-----------------------|---|---|
| Governmental Activities | | | |
| General Government | \$ 37,673 | \$ - | \$ (37,673) |
| Public Safety | 38,017 | - | (38,017) |
| Public Works | 157,472 | 107,814 | (49,658) |
| Health | 2,362 | - | (2,362) |
| Debt Service: | | | |
| Principal | 3,754 | - | (3,754) |
| Interest | 94 | - | (94) |
| <i>Total Governmental Activities</i> | \$ 239,372 | \$ 107,814 | \$ (131,558) |
| General Receipts | | | |
| Property Taxes | | | 67,020 |
| Other Taxes | | | 16,676 |
| Grants and Entitlements not Restricted to Specific Programs | | | 40,958 |
| Interest | | | 818 |
| Miscellaneous | | | 1,153 |
| <i>Total General Receipts</i> | | | 126,625 |
| Change in Net Assets | | | (4,933) |
| <i>Net Assets Beginning of Year</i> | | | 68,588 |
| <i>Net Assets End of Year</i> | | | \$ 63,655 |

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

Wayne Township, Columbiana County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
For the Year Ended December 31, 2007

| | General | Gasoline Tax | Road & Bridge | Fire District | Other Governmental Funds | Total Governmental Funds |
|--|-----------------|------------------|------------------|------------------|--------------------------------|--------------------------------|
| Assets | | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 6,882 | \$ 35,533 | \$ 8,536 | \$ 3,483 | \$ 9,221 | \$ 63,655 |
| <i>Total Assets</i> | <u>6,882</u> | <u>35,533</u> | <u>8,536</u> | <u>3,483</u> | <u>9,221</u> | <u>63,655</u> |
| Fund Balances | | | | | | |
| Unreserved: | | | | | | |
| General Fund | 6,882 | - | - | - | - | 6,882 |
| Special Revenue Funds | - | 35,533 | 8,536 | 3,483 | 9,221 | 56,773 |
| <i>Total Fund Balances</i> | <u>\$ 6,882</u> | <u>\$ 35,533</u> | <u>\$ 8,536</u> | <u>\$ 3,483</u> | <u>\$ 9,221</u> | <u>\$ 63,655</u> |

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

Wayne Township, Columbiana County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2007

| | General | Gasoline Tax | Road & Bridge | Fire District | Other Governmental Funds | Total Governmental Funds |
|--|-----------------|------------------|------------------|------------------|--------------------------------|--------------------------------|
| Receipts | | | | | | |
| Property and Other Local Taxes | \$ 11,637 | \$ - | \$ 34,747 | \$ 31,988 | \$ 5,210 | \$ 83,582 |
| Intergovernmental | 30,757 | 92,921 | 4,287 | 6,029 | 14,893 | 148,887 |
| Interest | 804 | - | - | - | 13 | 817 |
| Other | 153 | - | 1,000 | - | - | 1,153 |
| <i>Total Receipts</i> | <u>43,351</u> | <u>92,921</u> | <u>40,034</u> | <u>38,017</u> | <u>20,116</u> | <u>234,439</u> |
| Disbursements | | | | | | |
| Current: | | | | | | |
| General Government | 37,673 | - | - | - | - | 37,673 |
| Public Safety | - | - | - | 38,017 | - | 38,017 |
| Public Works | 534 | 97,632 | 36,378 | - | 22,928 | 157,472 |
| Health | 2,362 | - | - | - | - | 2,362 |
| Debt Service: | | | | | | |
| Principal Retirement | 3,754 | - | - | - | - | 3,754 |
| Interest and Fiscal Charges | 94 | - | - | - | - | 94 |
| <i>Total Disbursements</i> | <u>44,417</u> | <u>97,632</u> | <u>36,378</u> | <u>38,017</u> | <u>22,928</u> | <u>239,372</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>(1,066)</u> | <u>(4,711)</u> | <u>3,656</u> | <u>-</u> | <u>(2,812)</u> | <u>(4,933)</u> |
| Other Financing Sources (Uses) | | | | | | |
| Advances In | 5,460 | - | 5,460 | - | - | 10,920 |
| Advances Out | (5,460) | - | (5,460) | - | - | (10,920) |
| <i>Total Other Financing Sources (Uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net Change in Fund Balances</i> | <u>(1,066)</u> | <u>(4,711)</u> | <u>3,656</u> | <u>-</u> | <u>(2,812)</u> | <u>(4,933)</u> |
| <i>Fund Balances Beginning of Year</i> | <u>7,948</u> | <u>40,244</u> | <u>4,880</u> | <u>3,483</u> | <u>12,033</u> | <u>68,588</u> |
| <i>Fund Balances End of Year</i> | <u>\$ 6,882</u> | <u>\$ 35,533</u> | <u>\$ 8,536</u> | <u>\$ 3,483</u> | <u>\$ 9,221</u> | <u>\$ 63,655</u> |

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

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, 2007

| | <u>Budgeted Amounts</u> | | | (Optional) |
|--|-------------------------|------------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
| Receipts | | | | |
| Property and Other Local Taxes | \$ 11,275 | \$ 13,201 | \$ 11,637 | \$ (1,564) |
| Intergovernmental | 30,655 | 30,757 | 30,757 | - |
| Interest | 175 | 805 | 804 | (1) |
| Other | - | 153 | 153 | - |
| <i>Total receipts</i> | <u>42,105</u> | <u>44,916</u> | <u>43,351</u> | <u>(1,565)</u> |
| Disbursements | | | | |
| Current: | | | | |
| General Government | 40,416 | 40,654 | 37,673 | 2,981 |
| Public Works | - | 534 | 534 | - |
| Health | 2,400 | 2,400 | 2,362 | 38 |
| Debt Service: | | | | |
| Principal Retirement | - | 3,742 | 3,754 | (12) |
| Interest and Fiscal Charges | - | 113 | 94 | 19 |
| <i>Total Disbursements</i> | <u>42,816</u> | <u>47,443</u> | <u>44,417</u> | <u>3,026</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>(711)</u> | <u>(2,527)</u> | <u>(1,066)</u> | <u>1,461</u> |
| Other Financing Sources (Uses) | | | | |
| Advances In | - | 5,460 | 5,460 | - |
| Advances Out | - | - | (5,460) | (5,460) |
| <i>Total Other Financing Sources (Uses)</i> | <u>-</u> | <u>5,460</u> | <u>-</u> | <u>(5,460)</u> |
| <i>Net Change in Fund Balance</i> | (711) | 2,933 | (1,066) | (3,999) |
| <i>Fund Balance Beginning of Year</i> | <u>7,948</u> | <u>7,948</u> | <u>7,948</u> | <u>-</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 7,237</u> | <u>\$ 10,881</u> | <u>\$ 6,882</u> | <u>\$ (3,999)</u> |

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

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, 2007*

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | (Optional) |
|--|-------------------------|-------------------------|-------------------------|---|
| | <u>Original</u> | <u>Final</u> | | Variance with Final Budget Positive (Negative) |
| Receipts | | | | |
| Intergovernmental | \$ 76,865 | \$ 92,921 | \$ 92,921 | \$ - |
| Interest | - | 50 | - | (50) |
| <i>Total receipts</i> | <u>76,865</u> | <u>92,971</u> | <u>92,921</u> | <u>(50)</u> |
| Disbursements | | | | |
| Current: | | | | |
| Public Works | 57,185 | 114,264 | 97,632 | 16,632 |
| Capital Outlay | <u>20,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Total Disbursements</i> | <u>77,185</u> | <u>114,264</u> | <u>97,632</u> | <u>16,632</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>(320)</u> | <u>(21,293)</u> | <u>(4,711)</u> | <u>16,582</u> |
| <i>Fund Balance Beginning of Year</i> | <u>40,244</u> | <u>40,244</u> | <u>40,244</u> | <u>-</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$ 39,924</u></u> | <u><u>\$ 18,951</u></u> | <u><u>\$ 35,533</u></u> | <u><u>\$ 16,582</u></u> |

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

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, 2007

| | <u>Budgeted Amounts</u> | | | (Optional) |
|--|-------------------------|------------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
| Receipts | | | | |
| Property and Other Local Taxes | \$ 35,494 | \$ 35,786 | \$ 34,747 | \$ (1,039) |
| Intergovernmental | 2,135 | 4,249 | 4,287 | 38 |
| Other | - | 1,000 | 1,000 | - |
| <i>Total receipts</i> | <u>37,629</u> | <u>41,035</u> | <u>40,034</u> | <u>(1,001)</u> |
| Disbursements | | | | |
| Current: | | | | |
| Public Safety | - | - | - | - |
| Public Works | 37,775 | 41,342 | 36,378 | 4,964 |
| Other | - | - | - | - |
| Capital Outlay | - | - | - | - |
| <i>Total Disbursements</i> | <u>37,775</u> | <u>41,342</u> | <u>36,378</u> | <u>4,964</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>(146)</u> | <u>(307)</u> | <u>3,656</u> | <u>3,963</u> |
| Other Financing Sources (Uses) | | | | |
| Advances In | - | 5,460 | 5,460 | - |
| Advances Out | - | - | (5,460) | (5,460) |
| <i>Total Other Financing Sources (Uses)</i> | <u>-</u> | <u>5,460</u> | <u>-</u> | <u>(5,460)</u> |
| <i>Net Change in Fund Balance</i> | (146) | 5,153 | 3,656 | (1,497) |
| <i>Fund Balance Beginning of Year</i> | <u>4,880</u> | <u>4,880</u> | <u>4,880</u> | <u>-</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 4,734</u> | <u>\$ 10,033</u> | <u>\$ 8,536</u> | <u>\$ (1,497)</u> |

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

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, 2007*

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | (Optional) Variance with Final Budget Positive (Negative) |
|--|-------------------------|-----------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | | <u>Actual</u> |
| Receipts | | | | |
| Property and Other Local Taxes | \$ 32,744 | \$ 33,264 | \$ 31,988 | \$ (1,276) |
| Intergovernmental | 4,500 | 5,972 | 6,029 | 57 |
| <i>Total receipts</i> | <u>37,244</u> | <u>39,236</u> | <u>38,017</u> | <u>(1,219)</u> |
| Disbursements | | | | |
| Current: | | | | |
| Public Safety | 37,244 | 38,391 | 38,017 | 374 |
| <i>Total Disbursements</i> | <u>37,244</u> | <u>38,391</u> | <u>38,017</u> | <u>374</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>-</u> | <u>845</u> | <u>-</u> | <u>(845)</u> |
| <i>Fund Balance Beginning of Year</i> | <u>3,483</u> | <u>3,483</u> | <u>3,483</u> | <u>-</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 3,483</u> | <u>\$ 4,328</u> | <u>\$ 3,483</u> | <u>\$ (845)</u> |

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

Wayne Township, Columbiana County
Statement of Net Assets - Cash Basis
For the Year Ended December 31, 2006

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| Assets | |
| Equity in Pooled Cash and Cash Equivalents | \$ 68,588 |
| <i>Total Assets</i> | <u>68,588</u> |
| | |
| Net Assets | |
| Restricted for: | |
| Debt Service | 1,133 |
| Other Purposes | 59,507 |
| Unrestricted | <u>7,948</u> |
| <i>Total Net Assets</i> | <u>\$ 68,588</u> |

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

Wayne Township, Columbiana County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2006

| | | Program Cash Receipts | Net (Disbursements) Receipts and Changes in Net Assets |
|---|-----------------------|--|---|
| | Cash Disbursements | Operating Grants and Contributions | Governmental Activities |
| Governmental Activities | | | |
| General Government | \$ 37,807 | \$ - | \$ (37,807) |
| Public Safety | 36,547 | - | (36,547) |
| Public Works | 112,210 | 113,642 | 1,432 |
| Health | 2,305 | - | (2,305) |
| Debt Service: | | | |
| Principal | 3,606 | - | (3,606) |
| Interest | 248 | - | (248) |
| <i>Total Governmental Activities</i> | \$ 192,723 | \$ 113,642 | \$ (79,081) |
| General Receipts | | | |
| Property Taxes | | | 65,377 |
| Other Taxes | | | 5,128 |
| Grants and Entitlements not Restricted to Specific Programs | | | 39,370 |
| Interest | | | 276 |
| Miscellaneous | | | 1,753 |
| <i>Total General Receipts</i> | | | 111,904 |
| Change in Net Assets | | | 32,823 |
| <i>Net Assets Beginning of Year</i> | | | 35,765 |
| <i>Net Assets End of Year</i> | | | \$ 68,588 |

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

Wayne Township, Columbiana County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
For the Year Ended December 31, 2006

| | General | Motor Vehicle Lic. Tax | Gasoline Tax | Road & Bridge | Fire District | Other Governmental Funds | Total Governmental Funds |
|--|-----------------|---------------------------|------------------|------------------|------------------|--------------------------------|--------------------------------|
| Assets | | | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 1,118 | \$ 291 | \$ 2,483 | \$ 125 | \$ 24 | \$ 4 | \$ 4,045 |
| Investments | 6,830 | 7,068 | 37,761 | 4,755 | 3,459 | 4,670 | 64,543 |
| <i>Total Assets</i> | <u>7,948</u> | <u>7,359</u> | <u>40,244</u> | <u>4,880</u> | <u>3,483</u> | <u>4,674</u> | <u>68,588</u> |
| Fund Balances | | | | | | | |
| Reserved: | | | | | | | |
| Reserved for Encumbrances | 1,176 | 333 | 405 | 146 | - | - | 2,060 |
| Unreserved: | | | | | | | |
| General Fund | 6,772 | - | - | - | - | - | 6,772 |
| Special Revenue Funds | - | 7,026 | 39,839 | 4,734 | 3,483 | 3,541 | 58,623 |
| Debt Service Fund | - | - | - | - | - | 1,133 | 1,133 |
| <i>Total Fund Balances</i> | <u>\$ 7,948</u> | <u>\$ 7,359</u> | <u>\$ 40,244</u> | <u>\$ 4,880</u> | <u>\$ 3,483</u> | <u>\$ 4,674</u> | <u>\$ 68,588</u> |

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

Wayne Township, Columbiana County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2006

| | General | Motor Vehicle Lic. Tax | Gasoline Tax | Road & Bridge | Fire District | Other Governmental Funds | Total Governmental Funds |
|--|-----------------|---------------------------|------------------|------------------|------------------|--------------------------------|--------------------------------|
| Receipts | | | | | | | |
| Property and Other Local Taxes | \$ 11,354 | \$ - | \$ - | \$ 22,582 | \$ 31,158 | \$ 5,128 | \$ 70,222 |
| Intergovernmental | 30,452 | 13,538 | 90,011 | 12,235 | 5,521 | 1,538 | 153,295 |
| Interest | 184 | 10 | 50 | - | - | 32 | 276 |
| Other | 419 | - | 334 | 1,000 | - | - | 1,753 |
| <i>Total Receipts</i> | <u>42,409</u> | <u>13,548</u> | <u>90,395</u> | <u>35,817</u> | <u>36,679</u> | <u>6,698</u> | <u>225,546</u> |
| Disbursements | | | | | | | |
| Current: | | | | | | | |
| General Government | 37,807 | - | - | - | - | - | 37,807 |
| Public Safety | - | - | - | - | 36,547 | - | 36,547 |
| Public Works | - | 6,716 | 69,779 | 28,836 | - | 6,879 | 112,210 |
| Health | 2,305 | - | - | - | - | - | 2,305 |
| Debt Service: | | | | | | | |
| Principal Retirement | - | - | - | - | - | 3,606 | 3,606 |
| Interest and Fiscal Charges | - | - | - | - | - | 248 | 248 |
| <i>Total Disbursements</i> | <u>40,112</u> | <u>6,716</u> | <u>69,779</u> | <u>28,836</u> | <u>36,547</u> | <u>10,733</u> | <u>192,723</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>2,297</u> | <u>6,832</u> | <u>20,616</u> | <u>6,981</u> | <u>132</u> | <u>(4,035)</u> | <u>32,823</u> |
| Other Financing Sources (Uses) | | | | | | | |
| Transfers In | - | - | - | - | - | 3,854 | 3,854 |
| Transfers Out | - | - | - | (3,854) | - | - | (3,854) |
| Advances In | 1,076 | 1,076 | - | - | - | - | 2,152 |
| Advances Out | (1,076) | (1,076) | - | - | - | - | (2,152) |
| <i>Total Other Financing Sources (Uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(3,854)</u> | <u>-</u> | <u>3,854</u> | <u>-</u> |
| <i>Net Change in Fund Balances</i> | <u>2,297</u> | <u>6,832</u> | <u>20,616</u> | <u>3,127</u> | <u>132</u> | <u>(181)</u> | <u>32,823</u> |
| <i>Fund Balances Beginning of Year</i> | <u>5,651</u> | <u>527</u> | <u>19,628</u> | <u>1,753</u> | <u>3,351</u> | <u>4,855</u> | <u>35,765</u> |
| <i>Fund Balances End of Year</i> | <u>\$ 7,948</u> | <u>\$ 7,359</u> | <u>\$ 40,244</u> | <u>\$ 4,880</u> | <u>\$ 3,483</u> | <u>\$ 4,674</u> | <u>\$ 68,588</u> |

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

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, 2006

| | <u>Budgeted Amounts</u> | | | (Optional) |
|--|-------------------------|-----------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
| Receipts | | | | |
| Property and Other Local Taxes | \$ 11,780 | \$ 12,773 | \$ 11,354 | \$ (1,419) |
| Intergovernmental | 27,456 | 30,047 | 30,452 | 405 |
| Interest | 250 | 250 | 184 | (66) |
| Other | - | 419 | 419 | - |
| <i>Total receipts</i> | <u>39,486</u> | <u>43,489</u> | <u>42,409</u> | <u>(1,080)</u> |
| Disbursements | | | | |
| Current: | | | | |
| General Government | 38,161 | 41,359 | 38,982 | 2,377 |
| Public Works | 2,000 | 1,472 | - | 1,472 |
| Health | 2,224 | 2,305 | 2,305 | - |
| Debt Service: | | | | |
| Principal Retirement | 2,752 | - | - | - |
| <i>Total Disbursements</i> | <u>45,137</u> | <u>45,136</u> | <u>41,287</u> | <u>3,849</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>(5,651)</u> | <u>(1,647)</u> | <u>1,122</u> | <u>2,769</u> |
| Other Financing Sources (Uses) | | | | |
| Advances In | - | - | 1,076 | 1,076 |
| Advances Out | - | - | (1,076) | (1,076) |
| <i>Total Other Financing Sources (Uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net Change in Fund Balance</i> | (5,651) | (1,647) | 1,122 | 2,769 |
| <i>Fund Balance Beginning of Year</i> | <u>5,651</u> | <u>5,651</u> | <u>5,651</u> | <u>-</u> |
| Prior Year Encumbrances Appropriated | - | - | 1,175 | 1,175 |
| <i>Fund Balance End of Year</i> | <u>\$ -</u> | <u>\$ 4,004</u> | <u>\$ 7,948</u> | <u>\$ 3,944</u> |

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

Wayne Township, Columbiana County
*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
Motor Vehicle License Tax Fund
For the Year Ended December 31, 2006*

| | <u>Budgeted Amounts</u> | | | (Optional) |
|--|-------------------------|----------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
| Receipts | | | | |
| Intergovernmental | \$ 13,343 | \$ 13,343 | \$ 13,538 | \$ 195 |
| Interest | 20 | 20 | 10 | (10) |
| <i>Total receipts</i> | <u>13,363</u> | <u>13,363</u> | <u>13,548</u> | <u>185</u> |
| Disbursements | | | | |
| Current: | | | | |
| Public Works | 13,890 | 12,814 | 7,049 | 5,765 |
| <i>Total Disbursements</i> | <u>13,890</u> | <u>12,814</u> | <u>7,049</u> | <u>5,765</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>(527)</u> | <u>549</u> | <u>6,499</u> | <u>5,950</u> |
| Other Financing Sources (Uses) | | | | |
| Advances In | - | - | 1,076 | 1,076 |
| Advances Out | - | (1,076) | (1,076) | - |
| <i>Total Other Financing Sources (Uses)</i> | <u>-</u> | <u>(1,076)</u> | <u>-</u> | <u>1,076</u> |
| <i>Net Change in Fund Balance</i> | (527) | (527) | 6,499 | 7,026 |
| <i>Fund Balance Beginning of Year</i> | <u>527</u> | <u>527</u> | <u>527</u> | <u>-</u> |
| Prior Year Encumbrances Appropriated | - | - | 333 | 333 |
| <i>Fund Balance End of Year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 7,359</u> | <u>\$ 7,359</u> |

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

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, 2006*

| | <u>Budgeted Amounts</u> | | | (Optional) Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------------|-------------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Receipts | | | | |
| Intergovernmental | \$ 53,076 | \$ 82,338 | \$ 90,011 | \$ 7,673 |
| Interest | 50 | 50 | 50 | - |
| Other | - | 334 | 334 | - |
| <i>Total receipts</i> | <u>53,126</u> | <u>82,722</u> | <u>90,395</u> | <u>7,673</u> |
| Disbursements | | | | |
| Current: | | | | |
| Public Works | <u>72,754</u> | <u>72,754</u> | <u>70,184</u> | <u>2,570</u> |
| <i>Total Disbursements</i> | <u>72,754</u> | <u>72,754</u> | <u>70,184</u> | <u>2,570</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>(19,628)</u> | <u>9,968</u> | <u>20,211</u> | <u>10,243</u> |
| <i>Fund Balance Beginning of Year</i> | <u>19,628</u> | <u>19,628</u> | <u>19,628</u> | <u>-</u> |
| Prior Year Encumbrances Appropriated | <u>-</u> | <u>-</u> | <u>405</u> | <u>405</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$ -</u></u> | <u><u>\$ 29,596</u></u> | <u><u>\$ 40,244</u></u> | <u><u>\$ 10,648</u></u> |

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

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, 2006*

| | <u>Budgeted Amounts</u> | | | (Optional) Variance with Final Budget Positive (Negative) |
|--|-------------------------|-----------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Receipts | | | | |
| Property and Other Local Taxes | \$ 21,905 | \$ 23,369 | \$ 22,582 | \$ (787) |
| Intergovernmental | 1,654 | 2,833 | 12,235 | 9,402 |
| Other | - | 9,555 | 1,000 | (8,555) |
| <i>Total receipts</i> | <u>23,559</u> | <u>35,757</u> | <u>35,817</u> | <u>60</u> |
| Disbursements | | | | |
| Current: | | | | |
| Public Works | <u>25,312</u> | <u>31,013</u> | <u>28,982</u> | <u>2,031</u> |
| <i>Total Disbursements</i> | <u>25,312</u> | <u>31,013</u> | <u>28,982</u> | <u>2,031</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>(1,753)</u> | <u>4,744</u> | <u>6,835</u> | <u>2,091</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers Out | <u>-</u> | <u>(3,854)</u> | <u>(3,854)</u> | <u>-</u> |
| <i>Total Other Financing Sources (Uses)</i> | <u>-</u> | <u>(3,854)</u> | <u>(3,854)</u> | <u>-</u> |
| <i>Net Change in Fund Balance</i> | (1,753) | 890 | 2,981 | 2,091 |
| <i>Fund Balance Beginning of Year</i> | <u>1,753</u> | <u>1,753</u> | <u>1,753</u> | <u>-</u> |
| Prior Year Encumbrances Appropriated | <u>-</u> | <u>-</u> | <u>146</u> | <u>146</u> |
| <i>Fund Balance End of Year</i> | <u>\$ -</u> | <u>\$ 2,643</u> | <u>\$ 4,880</u> | <u>\$ 2,237</u> |

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

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, 2006*

| | <u>Budgeted Amounts</u> | | | (Optional) Variance with Final Budget Positive (Negative) |
|--|-------------------------|----------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Receipts | | | | |
| Property and Other Local Taxes | \$ 29,630 | \$ 32,354 | \$ 31,158 | \$ (1,196) |
| Intergovernmental | 3,274 | 4,249 | 5,521 | 1,272 |
| <i>Total receipts</i> | <u>32,904</u> | <u>36,603</u> | <u>36,679</u> | <u>76</u> |
| Disbursements | | | | |
| Current: | | | | |
| Public Safety | 36,254 | 38,979 | 36,547 | 2,432 |
| <i>Total Disbursements</i> | <u>36,254</u> | <u>38,979</u> | <u>36,547</u> | <u>2,432</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>(3,350)</u> | <u>(2,376)</u> | <u>132</u> | <u>2,508</u> |
| <i>Fund Balance Beginning of Year</i> | <u>3,350</u> | <u>3,350</u> | <u>3,351</u> | <u>1</u> |
| <i>Fund Balance End of Year</i> | <u>\$ -</u> | <u>\$ 974</u> | <u>\$ 3,483</u> | <u>\$ 2,509</u> |

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

Wayne Township
Columbiana County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

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. A publicly elected three-member Board of Trustees directs the Township. 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 that 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.

Wayne Township
Columbiana County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

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. Non-major 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 – Revenues in this fund come from inside millage on property taxes designated for the maintenance of roads within the township.

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

Motor Vehicle License Fund – This fund accounts for intergovernmental motor vehicle revenues used for road repair and upkeep.

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.

Wayne Township
Columbiana County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

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 2007 and 2006, 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 2007 was \$804 and 2006 was \$184.

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 that is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

Note 3 – 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 is 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. The Township did not have outstanding year end encumbrances.

Wayne Township
Columbiana County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 4 – 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.

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 \$63,655 in 2007 and \$68,588 in 2006. All of the bank balance 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.

Wayne Township
Columbiana County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 5 – 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.

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 6 – 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 2007 and 2006 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 | \$168,645 (2007) | Total Coverage |
| | \$162,155 (2006) | |
| Boiler and Machinery | \$168,645 (2007) | Limit |
| | \$162,155 (2006) | |

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 7 – 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. Members of OPERS contributed 9.5 percent and 9.0 percent of their gross salaries for 2007 and 2006, respectively. The Township contributed an amount equaling 13.85 percent and 13.7 percent for 2007 and 2006, respectively, of participants' gross salaries. The Township has paid all contributions required through December 31, 2007.

Wayne Township
Columbiana County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 8 – Debt

On September 8, 2003, the Township entered into an agreement to purchase a 1991 International Truck with snowplow 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 \$3,855, including interest, over the 4-year term. The Truck Note is backed by a note secured by business security agreements. At year-end 2007, the truck is paid in full.

Note 9 – Subsequent Events

Since the Tangible Personal Property Tax will be replaced with the Commercial Activity Tax (CAT) 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.

Note 10 – Compliance

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

Note 11 – Transfers

During 2006 the following transfer was made:

| | |
|---|-----------------|
| Transfers from the Road and Bridge Fund to: | |
| Other Governmental Fund | \$ 3,854 |
| Total Transfers from the Road and Bridge Fund | <u>\$ 3,854</u> |

The above mentioned transfer was used to move receipts from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them.

Perry & Associates
Certified Public Accountants, A.C.

PARKERSBURG
1035 Murdoch Avenue
Parkersburg, WV 26101
(304) 422-2203

MARIETTA
428 Second Street
Marietta, OH 45750
(740) 373-0056

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

April 25, 2008

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**, (the Township) as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Township's basic financial statements and have issued our report thereon dated April 25, 2008, wherein we noted the Township uses a comprehensive basis of accounting other than generally accepted accounting principals. 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 as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

Internal Control Over Financial Reporting (Continued)

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2007-001 through 2007-003.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe none of the significant deficiencies described above are material weaknesses.

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 that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2007-001 and 2007-002.

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

Respectfully Submitted,

Perry and Associates
Certified Public Accountants, A.C.

**WAYNE TOWNSHIP
COLUMBIANA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006**

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

FINDING NUMBER 2007-001

Noncompliance Citation / Significant Deficiency

Ohio Revised Code § 5705.41(D) requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. The certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

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 that both at the time that the contract or order was made ("then"), and 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 encumbrance, the taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 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 taxing authority.
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. 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 entity 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 officer 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.

**WAYNE TOWNSHIP
COLUMBIANA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 and 2006**

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

FINDING NUMBER 2007-001(Continued)

Ohio Revised Code § 5705.41(D) (Continued)

The Township did not properly certify the availability of funds prior to purchase commitment for 13% and 52% of the expenditures tested during 2007 and 2006, respectively. In addition there was no evidence that the Township followed the aforementioned exceptions. Without these certifications, the management of the Township lost budgetary control over expenditures.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township's funds exceeding budgetary spending limitations, we recommend that the Clerk certify that the funds are or will be available prior to an obligation being incurred by the Township. When prior certification is not possible, "then and now" certification should be used.

Management's Response – We did not receive a response from officials to this finding.

FINDING NUMBER 2007-002

Noncompliance Citation / Significant Deficiency

Ohio Rev. Code Section 5705.41 (B) states that no subdivision or taxing unit shall make any expenditure of money unless the same has been properly appropriated.

Actual disbursements exceeded appropriations in the Road and Bridge Fund and Fire District fund in 2006 and in the General Fund and Fire District fund in 2007.

We recommend the Township Clerk modify appropriations with the Board of Trustees County Budget Commission before incurring obligations that would cause expenditures to exceed appropriations. The Township Clerk should deny any payments until the legislative authority has passed the necessary changes to the appropriation measure.

Management's Response – We did not receive a response from officials to this finding.

**WAYNE TOWNSHIP
COLUMBIANA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 and 2006**

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

FINDING NUMBER 2007-003

Significant Deficiency

Posting Estimated Revenues and Appropriations

The Township did not have a control procedure in place to ensure that appropriations and estimated receipts, as authorized by the Board of Trustees and approved by the County Budget Commission, were reconciled to the appropriations and estimated receipts posted to the accounting system.

This resulted in incorrect amounts posted to the accounting system and information available to Township officials to monitor year-to-date total comparison of budgeted amounts versus actual amounts was not accurate.

We recommend the Township implement procedures to ensure appropriations and estimated receipts are accurately posted to the accounting system and reconciled to the amounts approved by the budget commission after each amendment.

Management's Response – We did not receive a response from officials to this finding.

**WAYNE TOWNSHIP
COLUMBIANA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007 AND 2006**

| Finding Number | Finding Summary | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i> |
|----------------|---|------------------|--|
| 2005-001 | Ohio Rev. Code Section 5705.41(D) – Failure to Encumber Funds | No | Re-issued as Finding 2007-001 |



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
JUNE 5, 2008**