

WAYNE TOWNSHIP
AUGLAIZE COUNTY, OHIO

AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007



Mary Taylor, CPA

Auditor of State

Board of Trustees
Wayne Township
P.O. Box 103
Waynesfield, Ohio 45896

We have reviewed the *Independent Auditor's Report* of the Wayne Township, Auglaize County, prepared by E.S. Evans and Company, for the audit period January 1, 2007 through December 31, 2008. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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. The Wayne Township is responsible for compliance with these laws and regulations.

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Mary Taylor, CPA
Auditor of State

September 23, 2009

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WAYNE TOWNSHIP
AUGLAIZE COUNTY, OHIO

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT -----	PAGE	1
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES – ALL GOVERNMENTAL FUND TYPES – FOR THE YEAR ENDED DECEMBER 31, 2008 -----		3
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES – ALL GOVERNMENTAL FUND TYPES – FOR THE YEAR ENDED DECEMBER 31, 2007 -----		4
NOTES TO FINANCIAL STATEMENTS -----		5
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY <u>GOVERNMENT AUDITING STANDARDS</u> -----		15
SCHEDULE OF FINDINGS-----		17
SCHEDULE OF PRIOR AUDIT FINDINGS -----		19

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E.S. Evans and Company

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July 27, 2009

INDEPENDENT AUDITOR'S REPORT

Wayne Township
Auglaize County, Ohio

We have audited the accompanying financial statements of Wayne Township, Auglaize County, (the Township) as of and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

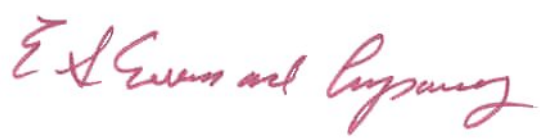
Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also to present its larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Townships to reformat their statements. The Township has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2008 and 2007 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2008 and 2007, or their changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Township as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with Government Auditing Standards, we have also issued our report dated July 27, 2009, 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.

A handwritten signature in red ink, appearing to read "E. J. ... and ...".

WAYNE TOWNSHIP
AUGLAIZE COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL
FUND TYPES

For the Year Ended December 31, 2008

	Governmental Fund Types		Totals
	General	Special Revenue	(Memorandum Only)
<u>Cash Receipts:</u>			
Local Taxes	\$ 17,402	\$ 77,846	\$ 95,248
Licenses, Permits, and Fees	536	-	536
Charges for Services	-	12,162	12,162
Intergovernmental Revenues	45,228	115,820	161,048
Interest Revenues	6,754	6,239	12,993
Miscellaneous	49	5,487	5,536
Total Cash Receipts	69,969	217,554	287,523
<u>Cash Disbursements:</u>			
Current -			
General Government	42,994	7,777	50,771
Public Safety	3,175	89,428	92,603
Public Works	-	224,224	224,224
Health	4,768	3,987	8,755
Debt Service:			
Principal Payments	-	13,034	13,034
Interest Payments	-	2,102	2,102
Capital Outlay	30,000	-	30,000
Total Cash Disbursements	80,937	340,552	421,489
Total Cash Receipts Over/(Under)			
Cash Disbursements	(10,968)	(122,998)	(133,966)
<u>Fund Cash Balance - January 1, 2008</u>	107,458	333,029	440,487
<u>Fund Cash Balance - December 31, 2008</u>	\$ 96,490	\$ 210,031	\$ 306,521

The accompanying notes are an integral part
of these financial statements.

WAYNE TOWNSHIP
AUGLAIZE COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL
FUND TYPES

For the Year Ended December 31, 2007

	Governmental Fund Types		Totals
	General	Special Revenue	(Memorandum Only)
<u>Cash Receipts:</u>			
Local Taxes	\$ 28,052	\$ 60,982	\$ 89,034
Licenses, Permits, and Fees	1,050	-	1,050
Charges for Services	-	31,438	31,438
Intergovernmental Revenues	39,894	98,496	138,390
Interest Revenues	5,916	3,859	9,775
Miscellaneous	65	6,640	6,705
Total Cash Receipts	74,977	201,415	276,392
<u>Cash Disbursements:</u>			
Current -			
General Government	51,626	5,677	57,303
Public Safety	2,640	33,794	36,434
Public Works	-	70,286	70,286
Health	4,230	5,365	9,595
Debt Service:			
Principal Payments	-	13,041	13,041
Interest Payments	-	2,202	2,202
Capital Outlay	-	-	-
Total Cash Disbursements	58,496	130,365	188,861
Total Cash Receipts Over/(Under)			
Cash Disbursements	16,481	71,050	87,531
<u>Fund Cash Balance - January 1, 2007</u>	90,977	261,979	352,956
<u>Fund Cash Balance - December 31, 2007</u>	\$ 107,458	\$ 333,029	\$ 440,487

The accompanying notes are an integral part
of these financial statements.

WAYNE TOWNSHIP
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 1 - Summary of Significant Accounting Policies

Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Wayne Township, Auglaize County, (the Township), as a political and corporate body. A publicly-elected three-member Board of Trustees directs the Township. The Township provides general government services, road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services.

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

Basis of Accounting

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

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

Cash and Investments

The Township maintains a checking account, savings accounts and certificates of deposit which are valued at cost.

Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

WAYNE TOWNSHIP
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 1 - Summary of Significant Accounting Policies - (continued)

Fund Accounting - (continued)

Special Revenue Funds

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

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

Fire District Fund – This fund receives property tax money for maintaining fire protection for the Township.

Emergency Medical Services Fund – This fund receives property tax money for maintaining emergency medical services for the Township.

Budgetary Process

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

Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

WAYNE TOWNSHIP
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 1 - Summary of Significant Accounting Policies - (continued)

Budgetary Process – (continued)

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2008 and 2007 budgetary activity appears in Note 3.

Property, Plant and Equipment

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Note 2 – Equity in Pooled Cash

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

	<u>2008</u>		<u>2007</u>
Demand Deposits	\$ 306,521	\$	340,487
Certificates of Deposit	-		100,000
Total Deposits	\$ <u>306,521</u>	\$	<u>440,487</u>

Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institution's public entity deposit pool.

WAYNE TOWNSHIP
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 3 – Budgetary Activity

Budgetary activity for the years ending December 31, 2008 and 2007 follows:

2008 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 185,642	\$ 69,969	\$ (115,673)
Special Revenue	512,283	217,554	(294,729)
	<u>\$ 697,925</u>	<u>\$ 287,523</u>	<u>\$ (410,402)</u>

2008 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 185,642	\$ 80,937	\$ 104,705
Special Revenue	512,283	340,552	171,731
	<u>\$ 697,925</u>	<u>\$ 421,489</u>	<u>\$ 276,436</u>

2007 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 166,739	\$ 74,977	\$ (91,762)
Special Revenue	443,313	201,415	(241,898)
	<u>\$ 610,052</u>	<u>\$ 276,392</u>	<u>\$ (333,660)</u>

2007 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 166,739	\$ 58,496	\$ 108,243
Special Revenue	443,313	130,365	312,948
	<u>\$ 610,052</u>	<u>\$ 188,861</u>	<u>\$ 421,191</u>

Contrary to Ohio law, appropriations exceeded actual available resources in 2008 by \$4,876 in the Road and Bridge Fund, by \$3,463 in the Cemetery Fund, and by \$12,592 in the EMS Fund. Contrary to Ohio law, appropriations exceeded actual available resources in 2007 by \$1,909 in the Road and Bridge Fund, by \$1,600 in the Cemetery Fund, by \$10,678 in the Fire Fund, and by \$16,254 in the EMS Fund.

WAYNE TOWNSHIP
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 4 - Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board of Trustees adopts tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The State pays the Township amounts equaling these deductions. The Township includes these with Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half payment 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.

Property owners assess tangible personal property tax. They must file a list of tangible 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 the Township's behalf.

Note 5 - Debt

Debt Outstanding at December 31, 2008 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Term Note	\$21,411	5.06%

On April 26, 2004, the Township entered into a seven year note with Fifth Third Bank in the amount of \$91,234 at 5.06%, to finance the purchase of a new ambulance for the Township's EMS Department. The note is payable in seven annual installments with interest due semi-annually.

Amortization of the above debt, including interest of \$998, is scheduled as follows:

<u>Year ending December 31:</u>	
2009	13,788
2010	8,621
TOTAL	\$ <u><u>22,409</u></u>

WAYNE TOWNSHIP
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 6 – Retirement Systems

Ohio Public Employees Retirement System (OPERS)

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 the plan's retirement benefits, including postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2007, OPERS members contributed 9.5 percent of their gross salary. The Township contributed an amount equal to 13.85 percent of participants' gross salaries. For 2008, OPERS members contributed 10.0 percent of their gross salary. The Township contributed an amount equaling 14.0 percent of participants' gross salaries. The Township has paid all required contributions through December 31, 2008.

Note 7 - Risk Management

Risk Pool Membership

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

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

WAYNE TOWNSHIP
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008 and 2007

Note 7 - Risk Management – (continued)

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

Casualty Coverage

For an occurrence prior to January 1, 2006, OTARMA retains casualty risks up to \$250,000 per claim, including claim adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate. Townships can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with OTARMA.

If losses exhaust OTARMA's retained earnings, APEEP provides excess of funds available coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (for claims prior to January 1, 2006) or \$3,000,000 (for claims on or after January 1, 2006) as noted above.

Property Coverage

Through 2004, OTARMA retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500,000,000 per occurrence.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers' provides aggregate stop-loss coverage based upon the combined members' total insurable value. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2006 was \$1,901,127.

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

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

WAYNE TOWNSHIP
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 7 - Risk Management – (continued)

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities, and retained earnings at December 31, 2007 and 2006:

	<u>2007</u>		<u>2006</u>
Assets	\$ 43,210,703	\$	42,042,275
Liabilities	<u>(13,357,837)</u>		<u>(12,120,661)</u>
Retained Earnings	<u>\$ 29,852,866</u>	\$	<u>29,921,614</u>

At December 31, 2007 and 2006, respectively, liabilities noted above include approximately \$12.5 million and \$11.3 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$11.6 million and \$10.8 million of unpaid claims to be billed to approximately 950 member townships in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Township's share of these unpaid claims collectible in future years is approximately \$20,352. This payable includes the subsequent year's contribution due if the Township terminates participation, as described in the last paragraph below.

Based on discussions with OTARMA, the expected rates OTARMA charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to OTARMA for each year of membership.

WAYNE TOWNSHIP
AUGLAIZE COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008 and 2007

Note 7 - Risk Management – (continued)

The Townships contributions to OTARMA for the past three years are as follows:

	Township Contributions to OTARMA
2006	\$ 13,320
2007	9,776
2008	10,207

After completing one year of membership, members may withdraw on each anniversary of the date they joined OTARMA. They must provide written notice to OTARMA 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent years contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses became the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the withdrawal.

Note 8 – Related Party Transactions

The Township has contracted with Turn-Er Green, a lawn care company, for cemetery sexton duties. The owner of Turn-Er Green is related to the Township's Fiscal Officer and to one of the Township Trustees. The Township paid this company \$5,004 and \$6,525 for 2008 and 2007, respectively.

In addition, Turn-Er Green received, directly from funeral homes or family members of the decedent, fees for opening and closing of graves, which was estimated at approximately \$2,780 and \$3,620, for 2008 and 2007 respectively.

The Township has also contracted with Barnt's Lawn Care Service for the mowing of five small cemeteries. The owner of Barnt's Lawn Care Service is a member of the Zoning Commission Board. The Township paid the contractor \$2,975 and \$2,225 for 2008 and 2007, respectively.

Note 9 – Other Material Noncompliance

Contrary to Ohio law, the Township did not record all receipts and disbursements for Cemetery services as required and as defined in the contract with the Sexton.

Note 10 – Subsequent Event

The Township committed in 2008 to the purchase of a new fire truck. Total cost of the truck was \$147,265. The Township paid \$80,000 in 2008 and the balance in 2009 for the truck. In 2009, the Township received an \$87,000 USDA loan and a \$20,000 USDA grant to help pay for this fire truck. Balance of the truck was paid from existing Township funds.

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July 27, 2009

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

Wayne Township
Auglaize County, Ohio

We have audited the financial statements of the Wayne Township, Auglaize County, Ohio, (the Township) as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated July 27, 2009, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Wayne Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Wayne Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Wayne Township's internal control over financial reporting.

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 internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that 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 the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Wayne 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 a misstatement of Wayne Township's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control.

We consider the following deficiencies described in the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting: 2008-001 and 2008-002.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Wayne Township's internal control.

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 considered to be material weaknesses. We believe the significant deficiency described above as item 2008-001 is also a material weakness.

We also noted certain internal control matters that we reported to Wayne Township's management in separate letter dated July 27, 2009.

Compliance and Other Matters

As part of reasonably assuring whether Wayne Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and are described in the accompanying schedule of findings as items 2008-001 and 2008-002.

In a separate letter to Wayne Township's management dated July 27, 2009, we reported other matters related to noncompliance.

The Township's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Village's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of management of Wayne Township and the Auditor of State of Ohio. It is not intended for anyone other than these specified parties.

A handwritten signature in red ink, appearing to read "E. J. ... and ...", is located in the lower right quadrant of the page.

WAYNE TOWNSHIP
AUGLAIZE COUNTY, OHIO

SCHEDULE OF AUDIT FINDINGS
December 31, 2008 and 2007

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number 2008-001 – Noncompliance Citation and Material Weakness

Ohio Rev. Code Section 507.04(A) states, in pertinent part, that the township fiscal officer shall keep an accurate record of the township's accounts and transactions. The Township entered into a contract, without evidence of bidding or the soliciting of quotes, with Turn-Er Green Company for a cemetery sexton to open and close graves, pour footers for tombstones, place veteran's makers, and to mow and maintain the Willow Branch Cemetery and for the spraying of township roads. The owner of Turn-Er Green Company is related to the Township's Fiscal Officer and is also a relative of one of the Trustees. The contract agreement states that the Township will pay for these services, when invoiced, per the rate schedule that is approved at the beginning of each year. However, except for the mowing of the cemetery, Turn-Er Company collected the revenues associated with these services rather than billing the Township.

The approximate cemetery revenue collected directly from funeral homes or family members of the decedent by Turn-Er Green for the years 2008 and 2007 was estimated at \$2,780 and \$3,620, respectively based on burial permits provided to us by the Township Fiscal Officer. In addition, we found that no Form 1099 was issued by the Township for this service revenue in 2008.

The lack of proper procedures to monitor the cemetery activities could result in incorrect rates being charged, activity not being recorded on the financial statements, and other accountability issues. Since the collection of cemetery revenue is the responsibility of the Township, and the revenue is considered public funds, all revenue associated with the cemetery should be deposited in the township treasury and recorded on the township books. In addition, the Trustees should be monitoring all activity of the Township, including the cemetery.

TOWNSHIP RESPONSE – The Township will take this under review at a future meeting.

WAYNE TOWNSHIP
AUGLAIZE COUNTY, OHIO

SCHEDULE OF AUDIT FINDINGS
December 31, 2008 and 2007

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

Finding Number 2008-002 – Noncompliance Citation and Significant Deficiency

Ohio Revised Code Section 5705.36(A)(4) allows all subdivisions to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources. A reduced amended certificate must be obtained if the amount of the deficiency will reduce available resources below the current level of appropriation. The total appropriations made during a fiscal year from any fund must not exceed the amount contained in the certificate of estimated resources of the amended certificate of estimated resources which was certified prior to making the appropriation or supplemental appropriation.

The amounts by which appropriations exceed available resources are as follows:

Fund Type/Fund	2008	2007
Special Revenue Funds:		
Road and Bridge Fund	\$ 4,876	\$ 1,909
Cemetery Fund	3,463	1,600
EMS Fund	12,592	16,254
Fire Fund	-	10,678

Actual receipts should be compared to budgeted receipts on a periodic basis to monitor for significant variances. Amended certificates should be requested from the County Budget Commission when it becomes apparent that actual receipts are going to be significantly less than estimated receipts, and the deficiency in receipts will fall below the appropriation level for the fund. This analysis should also encompass a comparison of appropriations versus available resources after amendment.

TOWNSHIP RESPONSE – The Township will attempt to monitor this closer in the future.

WAYNE TOWNSHIP
AUGLAIZE COUNTY, OHIO

SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2008 and 2007

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2002-001	Finding for Recovery	No	Finding has not been repaid by the Clerk
2004-001	Finding for Adjustment	Yes	Adjustments made by Township
2006-001	Fund Adjustments regarding Rollback and Homestead Receipts	Yes	Correctly posted in 2007 & 2008
2006-002	Cemetery Activities	No	Repeated as Comment #2008-001
2006-003	EMS Billing	No	Partially Corrected - current year management letter comment



Mary Taylor, CPA
Auditor of State

WAYNE TOWNSHIP

AUGLAIZE 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
OCTOBER 6, 2009**