

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
WAYNE TOWNSHIP
HAMILTON COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
11/14/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Ralph J. Musselman	01-01-03 to 12-31-06
Chairman of the Township Board	Diane Nevitt Jerry McDonald	01-01-04 to 12-31-04 01-01-05 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF WAYNE TOWNSHIP, HAMILTON COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Wayne Township (Township), for the period of January 1, 2004 to December 31, 2005. The Township's management is responsible for the schedules. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the schedule of receipts, disbursements, and cash and investment balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedules referred to above present fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

October 4, 2006

WAYNE TOWNSHIP, HAMILTON COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 93,806	\$ 46,214	\$ 61,836	\$ 78,184
Dog	1,068	1,213	768	1,513
Township Assistance	2,549	20,228	15,209	7,568
Firefighting	114,401	129,000	81,897	161,504
COIT Special Distribution	31,746	-	-	31,746
Levy Excess	3,142	-	-	3,142
Fire Debt	4,072	62,483	55,932	10,623
Cumulative Fire	176,210	40,277	-	216,487
Fiduciary Funds:				
Hair Cemetery	1,505	6	200	1,311
Payroll Withholdings	2,093	5,980	8,073	-
Totals	<u>\$ 430,592</u>	<u>\$ 305,401</u>	<u>\$ 223,915</u>	<u>\$ 512,078</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 78,184	\$ 50,143	\$ 59,826	\$ 68,501
Dog	1,513	1,296	1,238	1,571
Township Assistance	7,568	37,103	28,227	16,444
Firefighting	161,504	48,200	52,090	157,614
COIT Special Distribution	31,746	-	10,000	21,746
Levy Excess	3,142	1,046	-	4,188
Fire Debt	10,623	34,188	35,292	9,519
Cumulative Fire	216,487	24,242	227	240,502
Fiduciary Funds:				
Hair Cemetery	1,311	5	-	1,316
Payroll Withholdings	-	3,831	2,907	924
Totals	<u>\$ 512,078</u>	<u>\$ 200,054</u>	<u>\$ 189,807</u>	<u>\$ 522,325</u>

The accompanying notes are an integral part of the schedules.

WAYNE TOWNSHIP, HAMILTON COUNTY
NOTES TO SCHEDULES

Note 1. Introduction

The Township was established under the laws of the State of Indiana. The Township provides the following services: public safety, health and social services, and general administrative services.

Note 2. Fund Accounting

The Township uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Township in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Township to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 6. Long-Term Debt

The Township has entered into debt such as bonds for a fire truck. The outstanding principal at December 31, 2005, was \$105,123.

WAYNE TOWNSHIP, HAMILTON COUNTY
EXAMINATION RESULTS AND COMMENTS

DISBURSEMENT DOCUMENTATION

Several payments totaling \$921 were observed which did not contain adequate supporting documentation such as receipts, and invoices. Due to the lack of supporting information, the validity and accountability for some monies disbursed could not be established.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PRESCRIBED FORMS

The following prescribed forms were not in use:

Payroll Schedule and Voucher (Form 99)
Employees Earnings Record (Form 99B)
Resolution Recommending Salaries of Township Officers and Employees (Form 17)
Notice of Township Assistance Action (Form TA-1A)

Application for Township Assistance (Form No. TA-1) was not completed for evidence of investigation and assistance rendered.

Also, Internal Revenue Service Form W-4 was not presented for audit.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

TEMPORARY LOAN

A temporary loan of \$19,000 was made in June 2003 from the Firefighting Fund to the Fire Debt Fund and not repaid by December 31, 2003. On July 1, 2004, \$18,500 was paid on the loan balance. The remaining loan balance of \$500 has not been repaid as of October 3, 2006.

Indiana Code 36-1-8-4 concerning temporary loans states in part:

"(a) . . . (3) Except as provided in subsection (b), the prescribed period must end during the budget year of the year in which the transfer occurs. (4) The amount transferred must be returned to the other fund at the end of the prescribed period. . . ."

"(b) If the fiscal body of a political subdivision determines that an emergency exists that requires an extension of the prescribed period of a transfer under this section, the prescribed period may be extended for not more than six (6) months beyond the budget year of the year in which the transfer occurs if the fiscal body does the following: (1) Passes an ordinance or a resolution that contains the following: (A) A statement that the fiscal body has determined that an emergency exists. (B) A brief description of the grounds for the emergency. (C) The date the loan will be repaid that is not more than six (6) months beyond the budget year in which the transfer occurs. (2) Immediately forwards the ordinance or resolution to the state board of accounts and the Department of Local Government Finance."

WAYNE TOWNSHIP, HAMILTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 4, 2006, with Ralph J. Musselman, Trustee.
The official concurred with our findings.