

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT

OF

WAYNE TOWNSHIP

MARION COUNTY, INDIANA

January 1, 2005 to December 31, 2006



FILED

08/10/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Daniel J. Gammon David K. Baird	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Chairman of the Township Board	Roger Bowser	01-01-05 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Wayne Township (Township), for the period of January 1, 2005 to December 31, 2006. The Township's management is responsible for the financial information presented herein. 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 financial information presented herein 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 financial information referred to above presents fairly, in all material respects, the financial information of the Township for the years ended December 31, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

July 24, 2007

WAYNE TOWNSHIP, MARION 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, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Township	\$ 455,283	\$ 1,349,275	\$ 1,380,266	\$ 424,292
Dog	967	669	703	933
Township Assistance	395,699	1,335,387	1,251,842	479,244
Firefighting	2,215,481	1,360	835,831	1,381,010
Cumulative Fire	513,396	-	211,219	302,177
Donations	329	-	82	247
Fire Emergency Loan	-	5,173,304	5,173,304	-
Hazardous Materials	69,076	10,909	-	79,985
Fire Protection Territory	-	18,610,698	14,811,858	3,798,840
Equipment Replacement	-	922,392	893,706	28,686
Retiree Health Benefits	-	147,986	-	147,986
Fiduciary Funds:				
Payroll Withholdings	135,569	2,582,831	2,527,311	191,089
Hall Deposits	3,725	4,300	4,100	3,925
Small Claims Court	50,287	2,088,727	2,105,542	33,472
Totals	\$ 3,839,812	\$ 32,227,838	\$ 29,195,764	\$ 6,871,886

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 424,292	\$ 1,315,505	\$ 1,394,093	\$ 345,704
Dog	933	611	666	878
Township Assistance	479,244	1,411,487	1,056,385	834,346
Firefighting	1,381,010	715	-	1,381,725
Cumulative Fire	302,177	-	-	302,177
Donations	247	500	247	500
Fire Emergency Loan	-	-	-	-
Hazardous Materials	79,985	14,573	-	94,558
Fire Protection Territory	3,798,840	15,011,994	16,073,970	2,736,864
Equipment Replacement	28,686	1,186,037	901,666	313,057
Retiree Health Benefits	147,986	104,988	-	252,974
Fiduciary Funds:				
Payroll Withholdings	191,089	2,866,878	2,837,704	220,263
Hall Deposits	3,925	4,500	3,400	5,025
Small Claims Court	33,472	2,411,940	2,432,354	13,058
Totals	\$ 6,871,886	\$ 24,329,728	\$ 24,700,485	\$ 6,501,129

The accompanying notes are an integral part of the schedules.

WAYNE TOWNSHIP, MARION COUNTY
NOTES TO FINANCIAL INFORMATION

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, culture and recreation, 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. All property taxes collected by the County Treasurer and available for distribution were distributed to the Township on or prior to December 31 of the year collected.

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.

WAYNE TOWNSHIP, MARION COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Township contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Township authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

TRUSTEE OFFICE WAYNE TOWNSHIP MARION COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

December 31, 2006

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ -
Infrastructure	-
Buildings	3,773,552
Improvements other than buildings	-
Machinery and equipment	5,125,931
Construction in progress	<u>338,000</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 9,237,483</u>

TRUSTEE OFFICE WAYNE TOWNSHIP MARION COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT

December 31, 2006

The Wayne Township Trustee has entered into the following long-term debt:

Description of Debt	Ending Balance	Due Within One Year
Governmental Activities:		
Notes and loans payable	\$ 512,715	\$ 377,527
Total governmental activities long-term debt	\$ 512,715	\$ 377,527

WAYNE TOWNSHIP, MARION COUNTY
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for examination indicated the following expenditure in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Equipment Replacement	2005	<u>\$ 33,706</u>

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

CAPITAL ASSET RECORDS

The Township is tracking capital assets using an inventory listing, but the Township is not using the prescribed Capital Asset Ledger (General Form 369). Items are listed on the inventory listing without a purchase date and some items are listed without a cost. The Township also has not set a formal capitalization policy. A similar comment appeared in prior Report B26280.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

The governing body should establish a capitalization policy that sets a dollar amount as a threshold to be used in determining which equipment items will be recorded. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 19)

WAYNE TOWNSHIP, MARION COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 24, 2007, with Daniel J. Gammon, former Trustee; David K. Baird, Trustee; and Roger Bowser, Chairman of the Township Board. The officials concurred with our findings.