

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

EXAMINATION REPORT  
OF  
WAYNE TOWNSHIP  
MARION COUNTY, INDIANA  
January 1, 2007 to December 31, 2008



**FILED**

02/05/2010



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OFFICIALS

Office

Official

Term

Trustee

David King Baird

01-01-07 to 12-31-10

Chairman of the  
Township Board

Roger Bowser  
Charlotte Scott

01-01-07 to 12-31-08  
01-01-09 to 12-31-09



**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, 2007 to December 31, 2008. 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, 2007 and 2008, 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

December 16, 2009

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, 2007 And 2008

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
<b>Governmental Funds:</b>				
Township	\$ 345,704	\$ 1,401,062	\$ 1,405,349	\$ 341,417
Dog	878	-	-	878
Township Assistance	834,346	1,072,262	1,273,030	633,578
Firefighting	1,381,725	1,848	-	1,383,573
Cumulative Fire	302,177	-	-	302,177
Donations	500	300	695	105
Rainy Day	-	2,321,908	-	2,321,908
Hazardous Materials	94,558	15,782	-	110,340
Fire Protection Territory	2,736,864	21,323,579	19,925,890	4,134,553
Equipment Replacement	313,057	1,385,583	1,641,295	57,345
Retiree Health Benefits	252,974	118,120	371,094	-
<b>Fiduciary Funds:</b>				
Payroll Withholdings	220,263	3,246,446	3,342,371	124,338
Hall Deposits	5,025	4,500	5,200	4,325
Small Claims Court	13,058	2,175,154	2,145,486	42,726
<b>Totals</b>	<b><u>\$ 6,501,129</u></b>	<b><u>\$ 33,066,544</u></b>	<b><u>\$ 30,110,410</u></b>	<b><u>\$ 9,457,263</u></b>
	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
<b>Governmental Funds:</b>				
Township	\$ 341,417	\$ 1,388,225	\$ 1,484,261	\$ 245,381
Dog	878	669	-	1,547
Township Assistance	633,578	1,066,479	1,427,712	272,345
Firefighting	1,383,573	44,457,231	38,414,080	7,426,724
Cumulative Fire	302,177	791,583	544,534	549,226
Donations	105	1,273	1,065	313
Rainy Day	2,321,908	2,202,927	1,471,698	3,053,137
Hazardous Materials	110,340	22,255	100,000	32,595
Fire Protection Territory	4,134,553	76,161	2,535,018	1,675,696
Equipment Replacement	57,345	10,464	-	67,809
Retiree Health Benefits	-	213	-	213
<b>Fiduciary Funds:</b>				
Payroll Withholdings	124,338	3,609,579	3,714,770	19,147
Hall Deposits	4,325	5,000	5,380	3,945
Small Claims Court	42,726	1,655,003	1,654,885	42,844
<b>Totals</b>	<b><u>\$ 9,457,263</u></b>	<b><u>\$ 55,287,062</u></b>	<b><u>\$ 51,353,403</u></b>	<b><u>\$ 13,390,922</u></b>

The accompanying notes are an integral part of the financial information.

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).

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

For the Year Ended December 31, 2008

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 46,000
Infrastructure	-
Buildings	4,428,552
Improvements other than buildings	-
Machinery and equipment	5,792,482
Construction in progress	
Total governmental activities, capital assets not being depreciated	<u>\$ 10,267,034</u>

WAYNE TOWNSHIP, MARION COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2008

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Notes and loans payable	\$ 9,670,651	\$ 9,687,263
Total governmental activities debt	<u>\$ 9,670,651</u>	<u>\$ 9,687,263</u>

WAYNE TOWNSHIP, MARION COUNTY  
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

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

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Cumulative Fire	2008	<u>\$ 180,995</u>

IC 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."

SERVICE AND TIME RECORDS

Employee time, attendance, or service records for three employees were not presented for examination. Records did not exist for those employees in 2007 and 2008.

The Employee's Service Record (General Form No. 99A) is kept for each employee in order to properly prepare "Payroll Schedule and Voucher, General Form No. 99." It records the hours or days worked, sick leave, vacation and days lost. The Employee's Service Record may also be used to comply with the requirements of IC 5-11-9-4 regarding hours worked each day by an employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

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)

COMPENSATION AND BENEFITS

Herschell Baird, presently the Chief of Staff, was paid as Deputy Fire Chief in 2007 from the Fire Protection Territory Fund. There were no service records kept to show the type of work performed in order to substantiate his compensation being paid from the Fire Protection Territory Fund. There was also no discussion of the Chief of Staff position in the minutes of the meetings of the Township Board.

WAYNE TOWNSHIP, MARION COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

IC 36-6-6-10 requires the township board to set the salaries; wages; rates of hourly pay; and remuneration other than statutory allowances of all township officials and employees, except assessing officials and employees, for the year 1985 and each year thereafter. However, please remember the Township Board should record the salaries so fixed in the Township Board minutes. A type of format for recording these salaries should be the existing format of Township Form No. 17. We recommended the Board set the salaries of Township officials and employees, in conjunction with the preparation and completion of the Township budget.

IC 36-6-6-10 (c) provides subject to subsection (d) the township legislative body may reduce the salary of an elected or appointed official. However, the official is entitled to a salary not less than the salary fixed for the first year of the term of office that immediately preceded the current term of office.

Township Form No. 17 (Revised 2008) has been prescribed to fulfill the requirements of this law. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

The State Board of Accounts is of the audit position that all townships, as governmental entities, should carefully maintain accurate prescribed or approved employment, service and other records for all persons employed so that documentation is available to substantiate all duties assigned and all amounts paid to each person. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Township Bulletin and Uniform Compliance Guidelines, February, 2006)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 17)

WAYNE TOWNSHIP, MARION COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on December 16, 2009, with David King Baird, Trustee; Charlotte Scott, Chairman of the Township Board; Herschell Baird, Chief of Staff; and Lynn McWhirter, Assistance Trustee. The official response has been made a part of this report and may be found on page 12.



David King Baird

Wayne Township Trustee

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*"Serving Our Township with Commitment and Excellence"*

5401 W Washington Street, Indianapolis, IN 46241

317-241-4191

Fax 317-248-8527

December 22, 2009

I would like to address the items that were noted in our Audit.

The first note was that we over spent the Fire Cumulative Fund in 2008.

We asked for our budget in the proper channels. We spent under the amount that we anticipated receiving for that fund. We were not notified until the early part of 2009 that we had not received the amount we asked for. That is the reason the Cumulative Fund was over spent in 2008.

The second note was that there were no times cards and proper documentation of hours for Hershell Baird, Joann Threatt and Lynn McWhirter.

Our salary exempt employees have never kept time cards. We have addressed that concern and those people will keep time cards starting January 1, 2010.

Mr. Hershell Baird was originally paid out of the Fire Fund in 2007. We paid him out of that fund because there was no budget amount in township and there was an open position in the Fire budget. The outgoing trustee in 2006 did not have the position of Chief of Staff. He was paid in that open position in the Fire Department Budget in 2007 and in 2008 we put the position of Chief of Staff in the Township budget.

Thank you,

A handwritten signature in cursive script that reads "David King Baird".

David King Baird  
Wayne Township Trustee

Cc: Charlotte Scott

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Wayne Township Board

*Charlotte Scott, Chairman • Traci Lipp, Vice Chairman • Doug White, Secretary*  
*Members: Anna Peay • Rosie Marie Ellis • Karen Burke • Lisa Bentley*