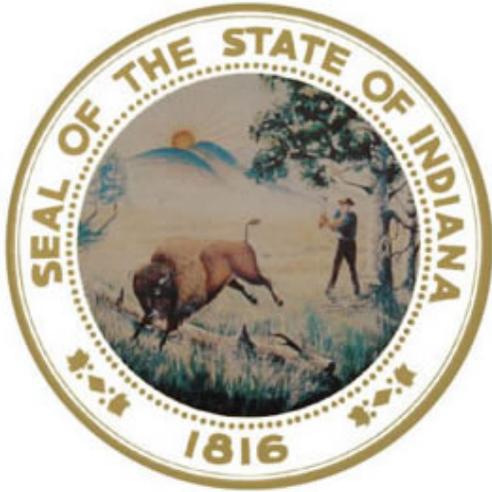


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
WEA TOWNSHIP
TIPPECANOE COUNTY, INDIANA
January 1, 2007 to December 31, 2009



FILED
05/10/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Matthew F. Koehler	01-01-07 to 12-31-10
Chairman of the Township Board	George Buck	01-01-07 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF WEA TOWNSHIP, TIPPECANOE COUNTY, INDIANA

We have examined the financial information presented herein of Wea Township (Township), for the period of January 1, 2007 to December 31, 2009. 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, 2008, and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

March 17, 2010

WEA TOWNSHIP, TIPPECANOE COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL TYPES
As Of And For The Years Ended December 31, 2007, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 21,857	\$ 83,312	\$ 84,631	\$ 20,538
Township Assistance	45,851	53,574	54,432	44,993
Firefighting	19,350	206,320	186,172	39,498
Cumulative Fire	552,100	117,325	259,406	410,019
Dog	95	-	95	-
Park & Recreation	13,804	67,291	67,450	13,645
Levy Excess	5,530	4,647	5,530	4,647
Community Center	16,839	7,261	-	24,100
Totals	<u>\$ 675,426</u>	<u>\$ 539,730</u>	<u>\$ 657,716</u>	<u>\$ 557,440</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 20,538	\$ 98,072	\$ 90,763	\$ 27,847
Township Assistance	44,993	35,136	53,981	26,148
Firefighting	39,498	236,376	221,212	54,662
Cumulative Fire	410,019	118,946	520,289	8,676
Park & Recreation	13,645	77,893	61,329	30,209
Levy Excess	4,647	9,299	4,647	9,299
Community Center	24,100	5,168	-	29,268
Rainy Day Fund	-	7,440	-	7,440
Totals	<u>\$ 557,440</u>	<u>\$ 588,330</u>	<u>\$ 952,221</u>	<u>\$ 193,549</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 27,847	\$ 144,879	\$ 127,344	\$ 45,382
Township Assistance	26,148	68,423	85,267	9,304
Firefighting	54,662	387,460	367,306	74,816
Cumulative Fire	8,676	179,542	180,809	7,409
Park & Recreation	30,209	142,078	103,448	68,839
Levy Excess	9,299	-	-	9,299
Community Center	29,268	11,016	14,979	25,305
Rainy Day Fund	7,440	7,853	-	15,293
Totals	<u>\$ 193,549</u>	<u>\$ 941,251</u>	<u>\$ 879,153</u>	<u>\$ 255,647</u>

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

WEA TOWNSHIP, TIPPECANOE 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, 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.

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.

WEA TOWNSHIP, TIPPECANOE COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Tax Anticipation Loan	\$ 203,644	\$ 204,726

WEA TOWNSHIP, TIPPECANOE COUNTY
EXAMINATION RESULTS AND COMMENTS

PRESCRIBED FORMS

The Trustee is not using Township Form No. 1C - Financial and Appropriation Record. The Trustee is using nonprescribed spreadsheets to post all of the transactions of the Township.

A similar comment appeared in prior Reports B26864 and B31453

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)

PENALTIES, INTEREST, AND SALES TAX

Information presented for examination indicates amounts were paid to vendors on an untimely basis. Nine of the disbursements reviewed included amounts for late fees and finance charges. Further review of invoices indicates the situation is a regular occurrence. We also noted sales tax was paid on five of the disbursements reviewed.

A similar comment appeared in Report B31453.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

COMPENSATION AND BENEFITS

The substitute fire truck drivers are paid an hourly rate for the services provided; however, there is no rate approved for substitute fire truck drivers on Prescribed Form 17 - Resolution Establishing Salaries of Officers and Employees.

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)

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)

WEA TOWNSHIP, TIPPECANOE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

CREDIT CARDS

The Township is using credit cards in some instances to purchase items without an approved credit card policy.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

- (1) The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
- (2) Issuance and use should be handled by an official or employee designated by the board.
- (3) The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
- (4) When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
- (5) The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
- (6) Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
- (7) Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
- (8) If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

WEA TOWNSHIP, TIPPECANOE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 17, 2010, with Matthew F. Koehler, Trustee.