

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

EXAMINATION REPORT
OF
WAYNE TOWNSHIP
MONTGOMERY COUNTY, INDIANA
January 1, 2007 to December 31, 2009



FILED
05/12/2010

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OFFICIALS

Office

Official

Term

Trustee

Loren Stephens
Jack Edwards

01-01-07 to 08-01-07
08-02-07 to 12-31-10

Chairman of the
Township Board

Jeff Turner
Mel Vance

01-01-07 to 12-31-08
01-01-09 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Wayne 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

April 8, 2010

WAYNE TOWNSHIP, MONTGOMERY COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND 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	\$ 33,187	\$ 7,489	\$ 16,398	\$ 24,278
Dog	559	-	559	-
Township Assistance	4,456	552	1,984	3,024
Firefighting	9,284	20,252	29,443	93
Cumulative Fire	22,496	4,383	354	26,525
Fire Debt	19,740	30,133	46,240	3,633
Fire Station Loan	18,177	-	-	18,177
Levy Excess	1,213	-	-	1,213
Totals	<u>\$ 109,112</u>	<u>\$ 62,809</u>	<u>\$ 94,978</u>	<u>\$ 76,943</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 24,278	\$ 19,153	\$ 15,498	\$ 27,933
Township Assistance	3,024	2,363	1,100	4,287
Firefighting	93	46,756	38,852	7,997
Cumulative Fire	26,525	12,026	2,800	35,751
Fire Debt	3,633	81,579	46,240	38,972
Fire Station Loan	18,177	-	18,177	-
Levy Excess	1,213	-	-	1,213
Totals	<u>\$ 76,943</u>	<u>\$ 161,877</u>	<u>\$ 122,667</u>	<u>\$ 116,153</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 27,933	\$ 14,934	\$ 18,561	\$ 24,306
Township Assistance	4,287	1,935	1,413	4,809
Firefighting	7,997	38,869	38,000	8,866
Cumulative Fire	35,751	6,902	-	42,653
Fire Debt	38,972	98,774	46,240	91,506
Rainy Day	-	2,059	-	2,059
Levy Excess	1,213	-	1,213	-
Totals	<u>\$ 116,153</u>	<u>\$ 163,473</u>	<u>\$ 105,427</u>	<u>\$ 174,199</u>

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

WAYNE TOWNSHIP, MONTGOMERY 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). Ordinarily, taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. In 2007, installments were due July 20 and November 13. In 2008, installments were due August 15 and November 10.

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, MONTGOMERY 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:		
Notes and loans payable		
Fire Station	\$ 88,670	\$ 46,240

WAYNE TOWNSHIP, MONTGOMERY COUNTY
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The following official bonds were not filed in the Office of the County Recorder:

Jack Edwards

A similar comment was included in the prior report.

IC 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder . . ."

PENALTIES, INTEREST, AND OTHER CHARGES

Penalties and interest totaling \$206 were paid to the Indiana Department of Revenue in 2007 for the years ended 2004 and 2005. There were also collection fees, court costs and money order cost of \$71.

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)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CAPITAL ASSET RECORDS

Information presented for examination did not indicate an inventory or record of capital assets using Form 369. A similar comment was included in the prior report.

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)

WAYNE TOWNSHIP, MONTGOMERY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 8, 2010, with Jack Edwards, Trustee; and Loren Stephens, former Trustee. The officials concurred with our findings.