

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

WAYNE TOWNSHIP

MARION COUNTY, INDIANA

January 1, 2011 to December 31, 2013



FILED
11/26/2014

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Accountant's Report.....	3
Financial Statements:	
Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis.....	6-7
Notes to Financial Statements	8-12
Supplementary Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis	14-19
Schedule of Payables and Receivables	20
Schedule of Leases and Debt	21
Schedule of Capital Assets.....	23
Examination Results and Comments:	
Payroll Supporting Documentation	24-25
Penalties, Interest, and Other Charges	25
Exit Conference.....	26
Official Response	27

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Andy Harris	01-01-11 to 12-31-14
Chairman of the Township Board	Karen Burke	01-01-11 to 12-31-11
	Anna Peay	01-01-12 to 12-31-12
	Traci Lipp	01-01-13 to 12-31-13
	Douglas White	01-01-14 to 12-31-14



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the accompanying financial statements of Wayne Township (Township), for the period of January 1, 2011 to December 31, 2013. The financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on the financial statements 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 statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Township for the period of January 1, 2011 to December 31, 2013.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Township for the period of January 1, 2011 to December 31, 2013, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Township's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

The Township's response to the Examination Results and Comments identified in our examination is described in the accompanying section of the report entitled Official Response. We did not examine the Township's response and, accordingly, we express no opinion on it.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

August 26, 2014

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FINANCIAL STATEMENTS

The financial statements and accompanying notes were approved by management of the Township. The financial statements and notes are presented as intended by the Township.

WAYNE TOWNSHIP, MARION COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2011 and 2012

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Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11	Receipts	Disbursements	Cash and Investments 12-31-12
TOWNSHIP FUND	\$ 931,672	\$ 2,090,652	\$ 1,549,477	\$ 1,472,847	\$ 1,646,462	\$ 1,569,599	\$ 1,549,710
TOWNSHIP ASSISTANCE	2,352,824	839,822	1,100,353	2,092,293	1,775,541	1,096,324	2,771,510
FIRE FIGHTING FUND	12,071,681	22,667,551	24,567,058	10,172,174	22,694,077	27,507,655	5,358,596
RAINY DAY FUND	4,286,495	-	-	4,286,495	-	855	4,285,640
EXCESS LEVY	56,103	-	-	56,103	-	-	56,103
CUMULATIVE FIRE FUND	1,602,029	-	1,150,541	451,488	-	300,720	150,768
DOG FUND	1,547	-	1,547	-	-	-	-
PAYROLL DEDUCTIONS	359,658	4,173,088	4,236,300	296,446	4,293,027	4,192,578	396,895
DONATIONS	2,347	2,903	2,152	3,098	201	2,822	477
RENTAL DEPOSITS	6,246	8,850	9,982	5,114	7,150	6,125	6,139
HAZARDOUS MATERIALS FUND	40,563	16,297	-	56,860	32,013	53,427	35,446
COURT PRE-ODYSSEY	98	-	98	-	-	-	-
COURT ODYSSEY	56,173	1,739,717	1,746,652	49,238	2,176,567	2,063,020	162,785
Totals	<u>\$ 21,767,436</u>	<u>\$ 31,538,880</u>	<u>\$ 34,364,160</u>	<u>\$ 18,942,156</u>	<u>\$ 32,625,038</u>	<u>\$ 36,793,125</u>	<u>\$ 14,774,069</u>

The notes to the financial statements are an integral part of this statement.

WAYNE TOWNSHIP, MARION COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2013

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
TOWNSHIP FUND	\$ 1,549,710	\$ 1,658,123	\$ 1,555,711	\$ 1,652,122
TOWNSHIP ASSISTANCE	2,771,510	234,299	1,378,106	1,627,703
FIRE FIGHTING FUND	5,358,596	25,224,075	21,606,546	8,976,125
RAINY DAY FUND	4,285,640	-	2,055	4,283,585
EXCESS LEVY	56,103	-	-	56,103
CUMULATIVE FIRE FUND	150,768	611,407	455,086	307,089
DONATIONS	477	400	392	485
PAYROLL DEDUCTIONS	396,895	4,310,103	4,106,443	600,555
RENTAL DEPOSITS	6,139	4,500	4,925	5,714
HAZARDOUS MATERIALS FUND	35,446	-	13,513	21,933
COURT PRE-ODYSSEY	-	-	-	-
COURT ODYSSEY	162,785	2,501,541	2,484,838	179,488
Totals	<u>\$ 14,774,069</u>	<u>\$ 34,544,448</u>	<u>\$ 31,607,615</u>	<u>\$ 17,710,902</u>

The notes to the financial statements are an integral part of this statement.

WAYNE TOWNSHIP, MARION COUNTY
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Township was established under the laws of the State of Indiana. The Township operates under a township trustee/township board form of government and provides some or all of the following services: public safety (fire), health and social services (township assistance), and general administrative services.

The accompanying financial statements present the financial information for the Township.

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Township.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

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

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

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

F. Interfund Transfers

The Township may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the Township. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Township. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Township in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Township submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Township in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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.

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

State statutes authorize 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 5. Risk Management

The Township may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Township to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing 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 Indiana Public Retirement System (INPRS) 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 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS 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:

Indiana Public Retirement System
1 North Capitol Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

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

B. 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

INPRS 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:

Indiana Public Retirement System
1 North Capitol Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy

The contribution requirements of plan members and the Township are established by the Board of Trustees of INPRS.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Township's Annual Reports for years prior to 2011 can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the Township's Annual Report information for years 2011 and later can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the Township which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the Township. It is presented as intended by the Township.

WAYNE TOWNSHIP, MARION COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2011

	TOWNSHIP FUND	TOWNSHIP ASSISTANCE	FIRE FIGHTING FUND	RAINY DAY FUND	EXCESS LEVY	CUMULATIVE FIRE FUND	DOG FUND
Cash and investments - beginning	\$ 931,672	\$ 2,352,824	\$ 12,071,681	\$ 4,286,495	\$ 56,103	\$ 1,602,029	\$ 1,547
Receipts:							
Taxes	571,082	333,413	15,066,583	-	-	-	-
Intergovernmental	1,175,265	362,560	5,433,193	-	-	-	-
Charges for services	22,152	-	2,048,863	-	-	-	-
Fines and forfeits	307,797	-	-	-	-	-	-
Other receipts	14,356	143,849	118,912	-	-	-	-
Total receipts	<u>2,090,652</u>	<u>839,822</u>	<u>22,667,551</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	1,166,783	525,897	18,596,631	-	-	-	-
Supplies	31,727	11,742	234,251	-	-	-	-
Other services and charges	304,781	551,057	1,700,393	-	-	-	1,547
Capital outlay	46,186	11,657	4,035,783	-	-	1,150,541	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>1,549,477</u>	<u>1,100,353</u>	<u>24,567,058</u>	<u>-</u>	<u>-</u>	<u>1,150,541</u>	<u>1,547</u>
Excess (deficiency) of receipts over disbursements	<u>541,175</u>	<u>(260,531)</u>	<u>(1,899,507)</u>	<u>-</u>	<u>-</u>	<u>(1,150,541)</u>	<u>(1,547)</u>
Cash and investments - ending	<u>\$ 1,472,847</u>	<u>\$ 2,092,293</u>	<u>\$ 10,172,174</u>	<u>\$ 4,286,495</u>	<u>\$ 56,103</u>	<u>\$ 451,488</u>	<u>\$ -</u>

WAYNE TOWNSHIP, MARION COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2011
 (Continued)

	<u>PAYROLL DEDUCTIONS</u>	<u>DONATIONS</u>	<u>RENTAL DEPOSITS</u>	<u>HAZARDOUS MATERIALS FUND</u>	<u>COURT PRE-ODYSSEY</u>	<u>COURT ODYSSEY</u>	<u>Totals</u>
Cash and investments - beginning	\$ 359,658	\$ 2,347	\$ 6,246	\$ 40,563	\$ 98	\$ 56,173	\$ 21,767,436
Receipts:							
Taxes	-	-	-	-	-	-	15,971,078
Intergovernmental	-	-	-	-	-	-	6,971,018
Charges for services	-	-	8,700	-	-	-	2,079,715
Fines and forfeits	-	-	-	-	-	-	307,797
Other receipts	4,173,088	2,903	150	16,297	-	1,739,717	6,209,272
Total receipts	<u>4,173,088</u>	<u>2,903</u>	<u>8,850</u>	<u>16,297</u>	<u>-</u>	<u>1,739,717</u>	<u>31,538,880</u>
Disbursements:							
Personal services	-	-	500	-	-	-	20,289,811
Supplies	-	-	-	-	-	-	277,720
Other services and charges	-	2,152	9,482	-	-	-	2,569,412
Capital outlay	-	-	-	-	-	-	5,244,167
Other disbursements	4,236,300	-	-	-	98	1,746,652	5,983,050
Total disbursements	<u>4,236,300</u>	<u>2,152</u>	<u>9,982</u>	<u>-</u>	<u>98</u>	<u>1,746,652</u>	<u>34,364,160</u>
Excess (deficiency) of receipts over disbursements	<u>(63,212)</u>	<u>751</u>	<u>(1,132)</u>	<u>16,297</u>	<u>(98)</u>	<u>(6,935)</u>	<u>(2,825,280)</u>
Cash and investments - ending	<u>\$ 296,446</u>	<u>\$ 3,098</u>	<u>5,114</u>	<u>\$ 56,860</u>	<u>\$ -</u>	<u>\$ 49,238</u>	<u>\$ 18,942,156</u>

WAYNE TOWNSHIP, MARION COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2012

	TOWNSHIP FUND	TOWNSHIP ASSISTANCE	FIRE FIGHTING FUND	RAINY DAY FUND	EXCESS LEVY	CUMULATIVE FIRE FUND	DOG FUND
Cash and investments - beginning	\$ 1,472,847	\$ 2,092,293	\$ 10,172,174	\$ 4,286,495	\$ 56,103	\$ 451,488	\$ -
Receipts:							
Taxes	538,925	427,703	14,881,756	-	-	-	-
Licenses and permits	-	-	9,053	-	-	-	-
Intergovernmental	765,253	1,292,648	5,377,258	-	-	-	-
Charges for services	17,568	-	2,251,735	-	-	-	-
Fines and forfeits	319,491	-	-	-	-	-	-
Other receipts	5,225	55,190	174,275	-	-	-	-
Total receipts	<u>1,646,462</u>	<u>1,775,541</u>	<u>22,694,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	1,227,230	629,396	19,685,042	-	-	-	-
Supplies	46,292	6,689	232,018	-	-	-	-
Other services and charges	279,366	455,342	1,732,558	855	-	-	-
Capital outlay	16,711	4,897	5,858,037	-	-	300,720	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>1,569,599</u>	<u>1,096,324</u>	<u>27,507,655</u>	<u>855</u>	<u>-</u>	<u>300,720</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>76,863</u>	<u>679,217</u>	<u>(4,813,578)</u>	<u>(855)</u>	<u>-</u>	<u>(300,720)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,549,710</u>	<u>\$ 2,771,510</u>	<u>\$ 5,358,596</u>	<u>\$ 4,285,640</u>	<u>\$ 56,103</u>	<u>\$ 150,768</u>	<u>\$ -</u>

WAYNE TOWNSHIP, MARION COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2012
 (Continued)

	PAYROLL DEDUCTIONS	DONATIONS	RENTAL DEPOSITS	HAZARDOUS MATERIALS FUND	COURT PRE-ODYSSEY	COURT ODYSSEY	Totals
Cash and investments - beginning	\$ 296,446	\$ 3,098	\$ 5,114	\$ 56,860	\$ -	\$ 49,238	\$ 18,942,156
Receipts:							
Taxes	-	-	-	-	-	-	15,848,384
Licenses and permits	-	-	-	-	-	-	9,053
Intergovernmental	-	-	-	-	-	-	7,435,159
Charges for services	-	201	7,150	-	-	-	2,276,654
Fines and forfeits	-	-	-	-	-	-	319,491
Other receipts	4,293,027	-	-	32,013	-	2,176,567	6,736,297
Total receipts	<u>4,293,027</u>	<u>201</u>	<u>7,150</u>	<u>32,013</u>	<u>-</u>	<u>2,176,567</u>	<u>32,625,038</u>
Disbursements:							
Personal services	-	2,822	325	-	-	-	21,544,815
Supplies	-	-	-	-	-	-	284,999
Other services and charges	-	-	5,800	-	-	-	2,473,921
Capital outlay	-	-	-	-	-	-	6,180,365
Other disbursements	4,192,578	-	-	53,427	-	2,063,020	6,309,025
Total disbursements	<u>4,192,578</u>	<u>2,822</u>	<u>6,125</u>	<u>53,427</u>	<u>-</u>	<u>2,063,020</u>	<u>36,793,125</u>
Excess (deficiency) of receipts over disbursements	<u>100,449</u>	<u>(2,621)</u>	<u>1,025</u>	<u>(21,414)</u>	<u>-</u>	<u>113,547</u>	<u>(4,168,087)</u>
Cash and investments - ending	<u>\$ 396,895</u>	<u>\$ 477</u>	<u>\$ 6,139</u>	<u>\$ 35,446</u>	<u>\$ -</u>	<u>\$ 162,785</u>	<u>\$ 14,774,069</u>

WAYNE TOWNSHIP, MARION COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013

	TOWNSHIP FUND	TOWNSHIP ASSISTANCE	FIRE FIGHTING FUND	RAINY DAY FUND	EXCESS LEVY	CUMULATIVE FIRE FUND	DONATIONS
Cash and investments - beginning	\$ 1,549,710	\$ 2,771,510	\$ 5,358,596	\$ 4,285,640	\$ 56,103	\$ 150,768	\$ 477
Receipts:							
Taxes	881,168	121,770	14,875,791	-	-	556,650	-
Intergovernmental	393,885	75,516	6,431,990	-	-	54,757	-
Charges for services	14,482	29,438	2,650,402	-	-	-	-
Fines and forfeits	368,541	-	-	-	-	-	-
Other receipts	47	7,575	1,265,892	-	-	-	400
Total receipts	<u>1,658,123</u>	<u>234,299</u>	<u>25,224,075</u>	<u>-</u>	<u>-</u>	<u>611,407</u>	<u>400</u>
Disbursements:							
Personal services	1,296,715	661,807	19,092,214	-	-	-	-
Supplies	51,435	9,957	205,397	-	-	-	-
Other services and charges	192,786	705,263	1,786,699	2,055	-	-	392
Capital outlay	14,775	1,079	522,236	-	-	455,086	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>1,555,711</u>	<u>1,378,106</u>	<u>21,606,546</u>	<u>2,055</u>	<u>-</u>	<u>455,086</u>	<u>392</u>
Excess (deficiency) of receipts over disbursements	<u>102,412</u>	<u>(1,143,807)</u>	<u>3,617,529</u>	<u>(2,055)</u>	<u>-</u>	<u>156,321</u>	<u>8</u>
Cash and investments - ending	<u>\$ 1,652,122</u>	<u>\$ 1,627,703</u>	<u>\$ 8,976,125</u>	<u>\$ 4,283,585</u>	<u>\$ 56,103</u>	<u>\$ 307,089</u>	<u>\$ 485</u>

WAYNE TOWNSHIP, MARION COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	PAYROLL DEDUCTIONS	RENTAL DEPOSITS	HAZARDOUS MATERIALS FUND	COURT PRE-ODYSSEY	COURT ODYSSEY	Totals
Cash and investments - beginning	\$ 396,895	\$ 6,139	\$ 35,446	\$ -	\$ 162,785	\$ 14,774,069
Receipts:						
Taxes	-	-	-	-	-	16,435,379
Intergovernmental	-	-	-	-	-	6,956,148
Charges for services	-	4,375	-	-	-	2,698,697
Fines and forfeits	-	-	-	-	-	368,541
Other receipts	4,310,103	125	-	-	2,501,541	8,085,683
Total receipts	<u>4,310,103</u>	<u>4,500</u>	<u>-</u>	<u>-</u>	<u>2,501,541</u>	<u>34,544,448</u>
Disbursements:						
Personal services	-	350	-	-	-	21,051,086
Supplies	-	-	-	-	-	266,789
Other services and charges	-	4,575	2,000	-	-	2,693,770
Capital outlay	-	-	11,513	-	-	1,004,689
Other disbursements	4,106,443	-	-	-	2,484,838	6,591,281
Total disbursements	<u>4,106,443</u>	<u>4,925</u>	<u>13,513</u>	<u>-</u>	<u>2,484,838</u>	<u>31,607,615</u>
Excess (deficiency) of receipts over disbursements	<u>203,660</u>	<u>(425)</u>	<u>(13,513)</u>	<u>-</u>	<u>16,703</u>	<u>2,936,833</u>
Cash and investments - ending	<u>\$ 600,555</u>	<u>\$ 5,714</u>	<u>\$ 21,933</u>	<u>\$ -</u>	<u>\$ 179,488</u>	<u>\$ 17,710,902</u>

WAYNE TOWNSHIP, MARION COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2013

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 367,431</u>	<u>\$ 1,950,712</u>

WAYNE TOWNSHIP, MARION COUNTY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2013

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Purchase of ladder truck	\$ 850,000	\$ 151,014
Totals		<u>\$ 850,000</u>	<u>\$ 151,014</u>

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WAYNE TOWNSHIP, MARION COUNTY
SCHEDULE OF CAPITAL ASSETS
December 31, 2013

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 1,211,000
Buildings	20,300,000
Machinery, equipment, and vehicles	<u>14,300,000</u>
Total governmental activities	<u>35,811,000</u>
Total capital assets	<u>\$ 35,811,000</u>

WAYNE TOWNSHIP, MARION COUNTY
EXAMINATION RESULTS AND COMMENTS

PAYROLL SUPPORTING DOCUMENTATION

Several issues were observed during the testing of federal payroll withholdings.

We compared the Township's payroll records to the Internal Revenue Service's Form 941, Employee's Quarterly Federal Tax Return, and to the Township's bank statements to verify that the amounts agreed and the reports were submitted timely. The results are listed below:

Late Payments

Per IRS Pub 15: "Under the semiweekly deposit schedule, deposit employment taxes for payments made on Wednesday, Thursday, and/or Friday by the following Wednesday. Deposit taxes for payments made on Saturday, Sunday, Monday, and/or Tuesday by the following Friday. Report your deposits quarterly or annually only by filing Form 941 or Form 944." Wayne Township normal payrolls are made on Fridays. During the examination period, the Township made the following number of late payments:

<u>2011</u>	<u>2012</u>	<u>2013</u>
4	2	0

Payroll Record to IRS Form 941

Differences were observed between the amounts listed on the Township's payroll records and the IRS Form 941 during the examination period.

<u>2011</u>	<u>2012</u>	<u>2013</u>
27	1	1

Bank Statements to IRS Form 941

We compared the amounts that were electronically transferred to the IRS from the Township's bank account to the amounts listed on the IRS Form 941. During the examination period, the Township made the following number of payments for withholding taxes that were not in agreement with the IRS Form 941:

<u>2011</u>	<u>2012</u>	<u>2013</u>
31	7	2

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

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)

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)

PENALTIES, INTEREST, AND OTHER CHARGES

The Township received a "Notice of Intent to Levy" from the IRS dated October 12, 2012. The notice was for under payment of payroll taxes during the quarterly periods ending June 30, 2011, September 30, 2011, December 31, 2011, and March 31, 2012. On April 2, 2013, the Township's bank account was garnished by the Internal Revenue Service for a total of \$16,378.51. Based on the "Notice of Intent to Levy," \$15,740.96 was for the assessed balance of taxes due and \$637.55 was for the interest and penalties.

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)

WAYNE TOWNSHIP, MARION COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 26, 2014, with Andy Harris, Trustee.



WAYNE TOWNSHIP GOVERNMENT

Trustee Andy Harris

Faithfully Serving with Trust and Integrity

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TrusteeAndy.Harris@waynetwp.org



August 26, 2014

OFFICIAL RESPONSE

It was brought officially to my attention on August 26th 2014 during the Exit Interview with Examiner Alan Weber that there were some concerns and errors based upon Late Payments, No Supporting Documentation, Payroll Record to IRS 941 and Bank Statements to IRS Form 941 regarding record keeping for the following years of 2011, 2012 and 2013 by our Director of Operations.

Even though it was found that these errors were not intentional, as Trustee I want to assure these type of concerns and errors do not happen moving forward.

I have instructed my staff to do the following.

1. Starting in 2015 employee payroll will be done by a professional firm that specializes in payroll. It is my understanding that this will remedy all concerns and errors that were mentioned moving forward.
2. New Policy and Procedures have been put in place that effective immediately all mail received from the State of Indiana and Federal Government will be given directly to the Trustee for review and assignment.
3. Any transfer of tax dollars to pay for any fees or fines to any government agency must be approved by the Trustee.

Respectfully Submitted,

Andy Harris
Trustee, Wayne Township, Marion County