

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

EXAMINATION REPORT
OF
WAYNE TOWNSHIP
BARTHOLOMEW COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
01/10/2007

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OFFICIALS

Office

Official

Term

Trustee

Randall Clark

01-01-03 to 12-31-06

Chairman of the
Township Board

Willard Casey

01-01-04 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the schedules of receipts, disbursements, and cash and investment balances of Wayne Township (Township), for the period of January 1, 2004 to December 31, 2005. The Township's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

November 15, 2006

WAYNE TOWNSHIP, BARTHOLOMEW COUNTY
 SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
 ALL GOVERNMENTAL FUND TYPES
 As Of And For The Years Ended December 31, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
Township	\$ 92,351	\$ 31,875	\$ 23,626	\$ 100,600
Dog	450	121	150	421
Township Assistance	137,466	31,849	8,840	160,475
Firefighting	111,047	51,271	86,815	75,503
Levy Excess	1,957	-	1,957	-
Construction	-	705,099	689,801	15,298
Cumulative Fire	35,386	24,294	18,786	40,894
Totals	<u>\$ 378,657</u>	<u>\$ 844,509</u>	<u>\$ 829,975</u>	<u>\$ 393,191</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Township	\$ 100,600	\$ 54,616	\$ 23,022	\$ 132,194
Dog	421	124	121	424
Township Assistance	160,475	29,037	4,412	185,100
Firefighting	75,503	29,178	53,000	51,681
Construction	15,298	6	15,304	-
Debt Service	-	102,723	59,713	43,010
Cumulative Fire	40,894	23,651	18,786	45,759
Totals	<u>\$ 393,191</u>	<u>\$ 239,335</u>	<u>\$ 174,358</u>	<u>\$ 458,168</u>

The accompanying notes are an integral part of the schedules.

WAYNE TOWNSHIP, BARTHOLOMEW COUNTY
NOTES TO SCHEDULES

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, 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.

WAYNE TOWNSHIP, BARTHOLOMEW COUNTY
NOTES TO SCHEDULES
(Continued)

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.

Note 6. Long-Term Debt

The Township has entered into a bond for the construction of a fire station. The outstanding principal at December 31, 2005, was \$670,000.

Note 7. Financial Transactions

The Township's construction fund, as presented in the statement, was not on the financial records of the Township. During the audit period, the proceeds of a \$700,000 general obligation bond were placed in a savings account in the name of the Township. The bank, however, made all deposits and withdrawals on the account, and the activity was not reflected on the Trustee's records. The activity from this account has been added to the statement to more accurately reflect the Township's financial transactions

WAYNE TOWNSHIP, BARTHOLOMEW COUNTY
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

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

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
Fire	2004	\$ 1,648
Debt Service	2005	6,248

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."

DISBURSEMENT DOCUMENTATION

Numerous payments from the Township's firehouse construction savings account were observed which did not contain adequate supporting documentation such as receipts, and invoices.

Due to the lack of supporting information, the validity and accountability for some monies disbursed could not be established.

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)

TRANSACTION RECORDING

Financial transactions related to the construction of a new fire station for the Jonesville Volunteer Fire Department were not recorded on the records of the Township Trustee. Over \$700,000 in receipts and disbursements ran through a Township savings account which was not recorded on the Township Trustee's records.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CONTRACTS

Records presented for audit indicate payments were made to the Jonesville Volunteer Fire Department in excess of the contracted amounts.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

WAYNE TOWNSHIP, BARTHOLOMEW COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 15, 2006, with Randall Clark, Trustee. The official concurred with our findings.