

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

EXAMINATION REPORT
OF
WATERLOO TOWNSHIP
FAYETTE COUNTY, INDIANA
January 1, 2007 to December 31, 2009



FILED
04/16/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Margie Jones	01-01-07 to 12-31-10
Chairman of the Township Board	Paul Henry Tom Scholl	01-01-07 to 12-31-08 01-01-09 to 12-31-10



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF WATERLOO TOWNSHIP, FAYETTE COUNTY, INDIANA

We have examined the financial information presented herein of Waterloo 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.

STATE BOARD OF ACCOUNTS

March 18, 2010

WATERLOO TOWNSHIP, FAYETTE 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	\$ 5,678	\$ 4,281	\$ 7,920	\$ 2,039
Dog	390	-	390	-
Township Assistance	8,497	860	1,978	7,379
Firefighting	1,386	3,194	3,533	1,047
Totals	<u>\$ 15,951</u>	<u>\$ 8,335</u>	<u>\$ 13,821</u>	<u>\$ 10,465</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 2,039	\$ 4,344	\$ 6,913	\$ (530)
Township Assistance	7,379	1,073	1,529	6,923
Firefighting	1,047	3,454	3,702	799
Totals	<u>\$ 10,465</u>	<u>\$ 8,871</u>	<u>\$ 12,144</u>	<u>\$ 7,192</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ (530)	\$ 9,886	\$ 7,228	\$ 2,128
Township Assistance	6,923	532	5,813	1,642
Firefighting	799	4,745	3,929	1,615
Levy Excess	-	173	173	-
Totals	<u>\$ 7,192</u>	<u>\$ 15,336</u>	<u>\$ 17,143</u>	<u>\$ 5,385</u>

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

WATERLOO TOWNSHIP, FAYETTE 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). 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.

WATERLOO TOWNSHIP, FAYETTE COUNTY
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The official bond for the period beginning July 1, 2009, did not comply with the bonding requirements and was not filed in the office of the County Recorder.

IC 5-4-1-8 states in part: "(a) The official bonds of officers, if sufficient, shall be approved as follows: . . . township trustee, . . . by the county auditor."

IC 5-4-1-5.1 states in part:

"(b) Every elected or appointed officer, official, deputy, or employee of a political subdivision who is required by section 18 of this chapter to file an official bond for the faithful performance of duty, except the county recorder and deputies and employees of the recorder, shall file the bond in the office of the county recorder in the county of residence of the officer, official, deputy, or employee."

IC 5-4-1-18 states in part:

"(a) Except as provided in subsection (b), the following . . . township officers and employees shall file an individual surety bond: . . .

(4) Township trustees. . . .

(c) Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of . . . township trustees, . . . clerks as follows:

(1) The amount of annual coverage must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2)."

PENALTIES AND INTEREST

Penalties and interest totaling \$37.67 were paid to the Internal Revenue Service on March 23, 2009, for the period December 31, 2008.

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

WATERLOO TOWNSHIP, FAYETTE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

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)

ANNUAL REPORT

An annual report for 2009 was not filed electronically.

IC 5-11-1-4 states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be filed electronically, in a manner prescribed by the state examiner that is compatible with the technology employed by the political subdivision."

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

WATERLOO TOWNSHIP, FAYETTE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 18, 2010, with Margie Jones, Trustee. The official concurred with our findings.