

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

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



**FILED**  
08/29/2006



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	William Webster Craig	01-01-03 to 12-31-06
Chairman of the Township Board	Sharon Born	01-01-04 to 12-31-04
	Vern Vanderbilt	01-01-05 to 12-31-05
	Craig Dishman	01-01-06 to 12-31-06



**STATE OF INDIANA**  
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STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the schedules of receipts, disbursements, and cash and investment balances of Dalton 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

August 2, 2006

DALTON TOWNSHIP, WAYNE 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:				
General	\$ 13,738	\$ 10,188	\$ 6,123	\$ 17,803
Dog	149	83	-	232
Township Assistance	8,257	3,037	1,194	10,100
Firefighting	3,006	11,089	6,725	7,370
Park and Recreation	35	2,695	1,100	1,630
Rainy Day	-	412	-	412
Totals	<u>\$ 25,185</u>	<u>\$ 27,504</u>	<u>\$ 15,142</u>	<u>\$ 37,547</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 17,803	\$ 7,577	\$ 6,002	\$ 19,378
Dog	232	71	225	78
Township Assistance	10,100	2,292	1,486	10,906
Firefighting	7,370	7,816	6,725	8,461
Park and Recreation	1,630	712	750	1,592
Rainy Day	412	-	-	412
Totals	<u>\$ 37,547</u>	<u>\$ 18,468</u>	<u>\$ 15,188</u>	<u>\$ 40,827</u>

The accompanying notes are an integral part of the schedules.

DALTON TOWNSHIP, WAYNE 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, 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. All property taxes collected by the County Treasurer and available for distribution were distributed to the Township on or prior to December 31 of the year collected.

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.

DALTON TOWNSHIP, WAYNE COUNTY  
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were noted:

- (1) Record balances were not reconciled to depository balances.

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

- (2) There were a considerable number of posting errors. These errors included balances not properly computed, transactions not extended to the fund columns, and annual reports for both years did not agree to the ledger.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter, Chapter 13)

DEPOSIT OF PUBLIC FUNDS

We noted instances where the Trustee did not deposit tax distribution receipts before the first and fifteenth day of each month. Dog tax receipts were deposited once each year.

Indiana Code 5-13-6-1(c) states in part: "The public funds collected by township trustees shall be deposited in the designated depository on or before the first and fifteenth day of each month."

DOG TAX ADMINISTRATIVE FEE

Administrative fees for dog tax were not receipted to the Township Fund.

Indiana Code 15-5-9-1 states in part: "For each individual dog tag or kennel license issued under this chapter, the township assessor (or trustee who collects the fee) shall retain from the fee described in this section, an administrative fee of fifty cents (\$0.50). Administrative fees collected by the assessor shall be deposited in the county general fund, and administrative fees collected by the trustee shall be deposited in the township general fund."

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

DOG TAX

The Township Assessor charged dog tax at a rate of \$1 per dog.

The township assessor shall make a diligent census as to the number of dogs owned, harbored, or kept by any person. A person owning or harboring a dog shall pay immediately to the township assessor a tax for each dog owned, harbored or kept on the same premises, whether owned by that person or some other person, as follows:

1. For each neutered dog, two dollars (\$2).
2. For each nonneutered dog, four dollars (\$4).
3. For each additional dog, six (\$6).

No dog under six (6) months of age is subject to any tax under this chapter. Whoever becomes the owner or harborer of a dog after the dog census by the township assessor or any owner or harborer of a dog for which for any reason the assessor failed to collect the tax, shall, within thirty (30) days after becoming the owner or harborer of a dog, apply to the assessor, or the assessor's designee pay the required fee, and procure a tag for the dog.

Dogs kept in kennels for breeding, boarding, or training purposes or for sale shall not be assessed an individual license fee, but the owner or keeper shall pay a kennel license fee according to the following schedule:

1. For a major kennel, consisting of fifteen (15) or more dogs, a fee of thirty dollars (\$30).
2. For a minor kennel, consisting of less than fifteen (15) dogs, a fee of twenty dollars (\$20).

(Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 7)

DALTON TOWNSHIP, WAYNE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on August 2, 2006, with William Webster Craig, Trustee.