

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

EXAMINATION REPORT

OF

ABINGTON TOWNSHIP

WAYNE COUNTY, INDIANA

January 1, 2004 to December 31, 2005



FILED

09/27/2006

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OFFICIALS

Office

Official

Term

Trustee

Donald L. Schwab

01-01-03 to 12-31-06

Chairman of the
Township Board

Robert Smoker

01-01-04 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the schedules of receipts, disbursements, and cash and investment balances of Abington 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 17, 2006

ABINGTON 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	\$ 76,543	\$ 44,126	\$ 50,833	\$ 69,836
Dog	488	515	261	742
Township Assistance	728	4,023	962	3,789
Firefighting	37,418	63,370	31,405	69,383
Rainy Day	-	1,416	-	1,416
Cumulative Fire	10,586	11,051	-	21,637
Totals	<u>\$ 125,763</u>	<u>\$ 124,501</u>	<u>\$ 83,461</u>	<u>\$ 166,803</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 69,836	\$ 37,553	\$ 25,839	\$ 81,550
Dog	742	833	440	1,135
Township Assistance	3,789	565	1,204	3,150
Firefighting	69,383	25,568	27,730	67,221
Rainy Day	1,416	-	-	1,416
Levy Excess	-	716	-	716
Cumulative Fire	21,637	7,401	20,002	9,036
Totals	<u>\$ 166,803</u>	<u>\$ 72,636</u>	<u>\$ 75,215</u>	<u>\$ 164,224</u>

The accompanying notes are an integral part of the schedules.

ABINGTON 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.

ABINGTON TOWNSHIP, WAYNE COUNTY
EXAMINATION RESULTS AND COMMENTS

SUPPORTING DOCUMENTATION

Some payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records. Due to the lack of supporting information, the validity and accountability for some money 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)

PENALTIES, INTEREST AND OTHER CHARGES

Penalties and interest totaling \$26.41 were paid to the Internal Revenue Service on January 1, 2005, for the period ended September 30, 2004.

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)

PAYROLL DEDUCTIONS

Payments to the Trustee and the Clerk were made without payroll deductions for taxes in 2005. However, the Township did remit both employer and employee share of social security and medicare taxes. The employees' share totaled \$471.53. The W-2's for the Trustee and the Clerk indicated that these amounts had been withheld. The Trustee and the Clerk repaid the Township \$471.53 which was deposited on August 18, 2006.

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)

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

CONDITION OF RECORDS

The following deficiencies were present in the Township's records:

1. Receipts, disbursements, and balances reported on the annual report did not agree to the ledger.
2. The detail of receipts and disbursements listed in the annual report for various funds did not always agree to the receipts and disbursements for that fund.
3. Receipts, disbursements and balances did not compute mathematically on the annual report.
4. Total receipts and disbursements in the funds ledger were incorrect. The receipts and disbursements were cumulative figures for several years and therefore could not be traced to the annual report, nor could the receipts and disbursements be used to compute ending balances.

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)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

ABINGTON TOWNSHIP, WAYNE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 17, 2006, with Donald L. Schwab, Trustee. The official concurred with our findings.