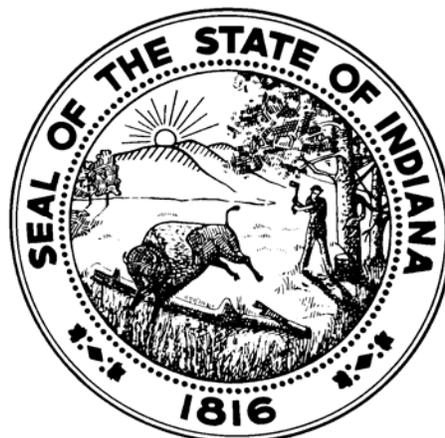


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

EXAMINATION REPORT  
OF  
WALNUT TOWNSHIP  
MARSHALL COUNTY, INDIANA  
January 1, 2004 to December 31, 2005



**FILED**  
11/17/2006



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Kenneth D. Powell	01-01-03 to 12-31-06
Chairman of the Township Board	Kathleen Stults	01-01-04 to 12-31-04
	Edward Ummel	01-01-05 to 12-31-05
	Russell Alderfer	01-01-06 to 12-31-06



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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF WALNUT TOWNSHIP, MARSHALL COUNTY, INDIANA

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

September 12, 2006

WALNUT TOWNSHIP, MARSHALL 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	\$ 33,515	\$ 21,961	\$ 15,253	\$ 40,223
Township Assistance	19,271	14,998	3,454	30,815
Fire Fighting	23,634	30,676	28,000	26,310
Cumulative Fire	51,133	11,606	8,061	54,678
Dog	592	2,241	2,573	260
Park and Recreation	1,853	-	1,000	853
EMS	25,786	4,047	8,409	21,424
Levy Excess	117	-	-	117
Federal Revenue Sharing	757	-	385	372
Rainy Day	-	2,888	-	2,888
Totals	<u>\$ 156,658</u>	<u>\$ 88,417</u>	<u>\$ 67,135</u>	<u>\$ 177,940</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Township	\$ 40,223	\$ 28,420	\$ 14,835	\$ 53,808
Township Assistance	30,815	15,476	4,628	41,663
Fire Fighting	26,310	35,891	29,821	32,380
Cumulative Fire	54,678	13,305	7,937	60,046
Dog	260	298	-	558
Park and Recreation	853	-	853	-
EMS	21,424	7,697	6,337	22,784
Levy Excess	117	1,272	117	1,272
Federal Revenue Sharing	372	-	147	225
Rainy Day	2,888	-	-	2,888
Totals	<u>\$ 177,940</u>	<u>\$ 102,359</u>	<u>\$ 64,675</u>	<u>\$ 215,624</u>

The accompanying notes are an integral part of the schedules.

WALNUT TOWNSHIP, MARSHALL 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. Final settlement of taxes paid in 2003 and 2004 did not occur until February 2004 and February 2005, respectively. All property taxes collected by the County Treasurer and available for distribution during 2005 were distributed to the Township prior to December 31, 2005.

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.

WALNUT TOWNSHIP, MARSHALL COUNTY  
EXAMINATION RESULT AND COMMENT

TRAVEL CLAIMS

During the audit period, we found that the Trustee did not properly fill out the claim form to document miles traveled. The Mileage Claim General Form 101 lacked description of where the Trustee was traveling to and from and the actual miles driven were not recorded for any travel during the audit period.

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)

WALNUT TOWNSHIP, MARSHALL COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on September 13, 2006, with Kenneth D. Powell, Trustee.  
The official concurred with our finding.