

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

EXAMINATION REPORT
OF
YORK TOWNSHIP
STEUBEN COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
12/11/2006

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report	3
Schedules of Receipts, Disbursements, and Cash and Investment Balances.....	4
Notes to Schedules	5
Examination Results and Comments:	
List of Employees Not Filed with County Treasurer.....	6
Disbursement Documentation.....	6
Condition of Records.....	7
Exit Conference.....	8

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Michael Monaghan	01-01-03 to 12-31-06
Chairman of the Township Board	Irene Thompson	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 46204-2769

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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF YORK TOWNSHIP, STEUBEN COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of York 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 2, 2005

YORK TOWNSHIP, STEUBEN 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	\$ 16,572	\$ 8,297	\$ 9,079	\$ 15,790
Dog	500	132	-	632
Township Assistance	16,372	499	697	16,174
Firefighting	<u>3,906</u>	<u>5,453</u>	<u>7,000</u>	<u>2,359</u>
Totals	<u>\$ 37,350</u>	<u>\$ 14,381</u>	<u>\$ 16,776</u>	<u>\$ 34,955</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 15,790	\$ 14,969	\$ 9,946	\$ 20,813
Dog	632	142	300	474
Township Assistance	16,174	3,026	1,355	17,845
Firefighting	<u>2,359</u>	<u>18,738</u>	<u>7,500</u>	<u>13,597</u>
Totals	<u>\$ 34,955</u>	<u>\$ 36,875</u>	<u>\$ 19,101</u>	<u>\$ 52,729</u>

The accompanying notes are an integral part of the schedules.

YORK TOWNSHIP, STEUBEN 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. 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.

YORK TOWNSHIP, STEUBEN COUNTY
EXAMINATION RESULTS AND COMMENTS

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

Officials and employees of the Township had money due from the Township, but a list of such employees was not certified to the County Treasurer.

Indiana Code 6-1.1-22-14(a) states in part: "On or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the names and addresses of each person who has money due from the political subdivision to the treasurer of each county in which the political subdivision is located."

DISBURSEMENT DOCUMENTATION

Several payments for Township Assistance did not contain adequate supporting documentation such as receipts, invoices, claims, or general purchase orders.

Wal-Mart gift and/or shopping cards were acquired with Township Assistance funds in 2005 totaling \$300. There were no itemized receipts presented for examination to verify what products the cards were used to purchase.

Sales tax was paid on several purchases from Staples office supply store.

Supporting documentation, agreements or contracts for firefighting services provided by the following were not presented for audit:

- 2004 - Metz Volunteer Fire Department
- 2005 - Angola Fire Department

Additionally, supporting documentation, agreements or contracts for payments to Klebe Lawn Care for cemetery care in 2004 and 2005 were not presented for audit.

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)

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)

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

YORK TOWNSHIP, STEUBEN COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were noted.

- (1) There were a considerable number of posting errors. The errors included the following:
- 2004 CAGIT amount of \$2,505 was not posted to the Township's Financial and Appropriation Record. However, the funds were deposited in the Township's depository.
 - Totals were not provided for all of the Received, Disbursed, and Balance columns in the Financial and Appropriation Record at year-end for all of the funds that had activity for the respective year.

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 13)

- (2) The Township Annual Financial Report (Township Form 15) was incomplete, and contained inaccuracies. These inaccuracies include the following:
- The 2004 Annual Report, Township Fund beginning balance did not agree with the 2003 Annual Report ending balance for the Township Fund.
 - The 2005 Annual Report Township Fund beginning balance did not agree with the 2004 Annual Report ending balance for the Township Fund.
 - The 2004 Township Fund disbursements amount on the Annual Report did not agree with the 2004 total of disbursements for the Township Fund in the Township's Financial and Appropriation Record.
 - The 2005 Township Fund receipts amount on the Annual Report did not agree with the 2005 receipts total for the Township fund in the Township's Financial and Appropriation Record.
 - The 2005 Dog Funds disbursements on the Annual Report did not agree with the 2005 total of disbursements for the Dog Fund in the Township's Financial and Appropriation Record.

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)

Governmental units should file accurate reports required by federal and state agencies. Non-compliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

YORK TOWNSHIP, STEUBEN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 2, 2006, with Michael Monaghan, Trustee.