

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

EXAMINATION REPORT
OF
WALNUT TOWNSHIP
MONTGOMERY COUNTY, INDIANA
January 1, 2005 to December 31, 2006



FILED
07/18/2007

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OFFICIALS

Office

Official

Term

Trustee

David Crumm

01-01-03 to 12-31-10

Chairman of the
Township Board

Cheryl McClaskey

01-01-05 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Walnut Township (Township), for the period of January 1, 2005 to December 31, 2006. 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, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

May 16, 2007

WALNUT TOWNSHIP, MONTGOMERY COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Township	\$ 80,760	\$ 7,399	\$ 14,107	\$ 74,052
Township Assistance	5,798	16,365	5,789	16,374
Firefighting	92,182	13,746	15,232	90,696
Cumulative Fire	11,901	12,391	15,000	9,292
Recreation	1,706	1,778	1,200	2,284
Dog	506	220	206	520
Totals	<u>\$ 192,853</u>	<u>\$ 51,899</u>	<u>\$ 51,534</u>	<u>\$ 193,218</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 74,052	\$ 11,647	\$ 14,539	\$ 71,160
Township Assistance	16,374	5,973	8,607	13,740
Firefighting	90,696	14,142	16,076	88,762
Cumulative Fire	9,292	24,459	313	33,438
Recreation	2,284	1,620	1,248	2,656
Dog	520	390	910	-
Levy Excess	-	1,020	1,020	-
Totals	<u>\$ 193,218</u>	<u>\$ 59,251</u>	<u>\$ 42,713</u>	<u>\$ 209,756</u>

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

WALNUT TOWNSHIP, MONTGOMERY 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. 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.

WALNUT TOWNSHIP, MONTGOMERY COUNTY
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

The Trustee is not recording capital asset additions and deletions. A similar comment appeared in Report B26918.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

DISBURSEMENT DOCUMENTATION

Adequate supporting documentation such as receipts, and invoices was not presented for 23% of the payments reviewed.

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)

WALNUT TOWNSHIP, MONTGOMERY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 16, 2007, with David Crumm, Trustee. The official concurred with our findings.