

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

EXAMINATION REPORT
OF
RAY TOWNSHIP
FRANKLIN COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
01/22/2009

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Sue Waechter	01-01-03 to 12-31-10
Chairman of the Township Board	Jerome M. Lamping	01-01-06 to 12-31-08



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF RAY TOWNSHIP, FRANKLIN COUNTY, INDIANA

We have examined the financial information presented herein of Ray Township (Township), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

December 9, 2008

RAY TOWNSHIP, FRANKLIN COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 191,753	\$ 26,562	\$ 12,935	\$ 205,380
Dog	744	313	308	749
Township Assistance	48,364	5,317	6,076	47,605
Firefighting	26,897	2,771	3,558	26,110
Levy Excess	852	-	-	852
Fiduciary Fund:				
Payroll Withholdings	-	657	657	-
Totals	<u>\$ 268,610</u>	<u>\$ 35,620</u>	<u>\$ 23,534</u>	<u>\$ 280,696</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 205,380	\$ 32,260	\$ 13,093	\$ 224,547
Dog	749	14	-	763
Township Assistance	47,605	7,945	4,139	51,411
Firefighting	26,110	3,963	3,942	26,131
Levy Excess	852	-	-	852
Fiduciary Fund:				
Payroll Withholdings	-	692	421	271
Totals	<u>\$ 280,696</u>	<u>\$ 44,874</u>	<u>\$ 21,595</u>	<u>\$ 303,975</u>

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

RAY TOWNSHIP, FRANKLIN 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.

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.

RAY TOWNSHIP, FRANKLIN COUNTY
EXAMINATION RESULTS AND COMMENTS

COMPENSATION AND BENEFITS

The Trustee, Clerk, and Township Board members received payments for salaries for the years 2006 and 2007 without the governing body adopting a salary ordinance or resolution. A similar comment appeared in Report B27455.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 17)

OFFICIAL BOND

The official bond of the Township Trustee was for \$5,000 each year.

The trustee shall file an individual official surety bond. The township board shall fix the amount of the bond as follows: (a) The amount should equal fifteen thousand dollars (\$15,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond. (b) The amount may not be less than fifteen thousand dollars (\$15,000) nor more than three hundred thousand dollars (\$300,000). (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

A list of 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."

ADVANCE PAYMENTS

The Township Trustee was paid office rent in advance. The rental payment for the second half of calendar year 2007 was paid July 16, 2007.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

RAY TOWNSHIP, FRANKLIN COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

APPROPRIATIONS

The records presented for examination indicated the Firefighting Fund disbursements of \$197 in excess of budgeted appropriations.

Indiana Code 6-1.1-18-4 states in part:

". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

TELEPHONE EXPENSE REIMBURSEMENT

Records presented for examination included claims for reimbursement totaling \$115 and \$195 for telephone expenses for 2006 and 2007 respectively. Detailed documentation of Township telephone calls was not attached to the information presented for reimbursement which would enable a determination that all expenses were for employees conducting Township business. We also noted there was no published telephone number in the name of the Township.

If the township office is in the home, and the telephone (only phone) is in the township name in the phone directory, the additional cost of that phone being listed as a township phone is reimbursable. Up to 50% of the bases monthly service billing may also be reimbursed if approved by the township board in accordance with Indiana Code 36-6-8-3. Additionally, 100% of all documented long distance township business calls may be reimbursed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

The township trustee shall ensure adequate access to township assistance services, including a published telephone number in the name of the township. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 6)

RAY TOWNSHIP, FRANKLIN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 9, 2008, with Sue Waechter, Trustee. The official concurred with our findings.