

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

EXAMINATION REPORT  
OF  
MANCHESTER TOWNSHIP  
DEARBORN COUNTY, INDIANA  
January 1, 2006 to December 31, 2007



**FILED**  
01/27/2009



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Carol Lane Nicholas Werner	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Chairman of the Township Board	Willis H. Chalk Delmar Ellinghausen	01-01-06 to 08-28-06 08-29-06 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF MANCHESTER TOWNSHIP, DEARBORN COUNTY, INDIANA

We have examined the financial information presented herein of Manchester 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 22, 2008

MANCHESTER TOWNSHIP, DEARBORN COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL 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	\$ 14,377	\$ 22,405	\$ 15,339	\$ 21,443
Dog	264	313	577	-
Township Assistance	5,651	13,351	13,581	5,421
Firefighting	39,652	122,779	135,655	26,776
Rainy Day	6,590	-	5,000	1,590
Totals	<u>\$ 66,534</u>	<u>\$ 158,848</u>	<u>\$ 170,152</u>	<u>\$ 55,230</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 21,443	\$ 15,374	\$ 12,279	\$ 24,538
Township Assistance	5,421	14,211	5,814	13,818
Firefighting	26,776	115,937	36,656	106,057
Rainy Day	1,590	-	-	1,590
Totals	<u>\$ 55,230</u>	<u>\$ 145,522</u>	<u>\$ 54,749</u>	<u>\$ 146,003</u>

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

MANCHESTER TOWNSHIP, DEARBORN 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, 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.

MANCHESTER TOWNSHIP, DEARBORN COUNTY  
EXAMINATION RESULTS AND COMMENTS

INTERNAL REVENUE SERVICE (IRS) - COMPLIANCE REQUIREMENTS

The Township did not withhold payroll taxes or issue IRS Form W-2 for compensation paid to the Township Board Members.

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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)

A similar comment was made in prior Reports B24372 and B29518.

CONTRACTS

Records presented for examination indicated payment was made to the following payees without a contract:

<u>Years</u>	<u>Payee</u>	<u>Amount</u>
2006	Durham Daughters	\$ 1,200
2006	Chris Durham	950
2006	Regina Wolfer	1,760
2007	Jake Wolfer	1,520
2007	Chris Durham	975

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)

A similar comment was made in prior Report B29518.

TOWNSHIP ASSISTANCE

The following deficiencies were noted in reviewing Township assistance payments:

- (1) Township Assistance Purchase Order (Form TA-2) for one Township assistance payment was not presented for examination.

Whenever the administrator of township assistance of any township grants township assistance aid to any indigent person, or to any other person or agency on a township assistance order as provided by law or obligates the township for any item properly payable from township assistance funds, the claim against such township, itemized and sworn to as provided by law, and accompanied by the original township assistance order, duly itemized and signed shall be checked with the records of the administrator of township assistance, audited, and certified to, as required by law by the trustee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 6)

MANCHESTER TOWNSHIP, DEARBORN COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

- (2) Application for Township Assistance (Form TA-1) for one Township assistance payment was not presented for examination.

Indiana Code 12-20-6-1(a) states: "A township trustee may not extend aid to an individual or a household unless an application and affidavit setting forth the personal condition of the individual or household has been filed with the trustee within one hundred eighty (180) days before the date aid is extended."

- (3) Supporting documentation for three Township assistance payments were not presented for examination with the corresponding Township Assistance applications.

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)

- (4) No evidence of investigations was documented on the Application for Township Assistance (Form TA-1) on one of the applications tested, in order to determine if the applicants qualified to receive township assistance.

Indiana Code 12-20-6-9 states in part: "If an application for township assistance is made to the township trustee . . . the township trustee . . . shall carefully investigate the circumstances of the applicant and each member of the applicant's household . . ."

A similar comment was made in prior Report B29518.

#### DEPOSIT OF PUBLIC FUNDS

We noted several instances during the review of the year 2007 where funds were held in excess of a month before being deposited.

Indiana Code 5-13-6-1(c) states in part: "The public funds collected by township trustees shall be deposited in the designated depository on or before the first and fifteenth day of each month."

#### PRESCRIBED FORMS

The following prescribed forms were not in use in 2007:

Financial and Appropriation Record (Township Form 1C)  
Township Trustee Check (Township Form 6)  
Resolution Recommending Salaries of Township Officers and Employees  
(Township Form 17)

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)

MANCHESTER TOWNSHIP, DEARBORN COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

OFFICIAL BOND

The official bond for Nicholas Werner, Trustee, was not filed in the Office of the County Recorder.

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder . . ."

MANCHESTER TOWNSHIP, DEARBORN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on December 22, 2008, with Laura Ankeman, Township Clerk. The official concurred with our findings.