

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

EXAMINATION REPORT

OF

PERRY TOWNSHIP

WAYNE COUNTY, INDIANA

January 1, 2008 to December 31, 2009



FILED

05/10/2010

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OFFICIALS

Office

Official

Term

Trustee

Dan Hollenberg

01-01-08 to 12-31-10

Chairman of the
Township Board

Martin Tutterow

01-01-08 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF PERRY TOWNSHIP, WAYNE COUNTY, INDIANA

We have examined the financial information presented herein of Perry Township (Township), for the period of January 1, 2008 to December 31, 2009. 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.

The beginning balance figures in the annual report prepared by the trustee for the year 2008 did not agree with the ending balances from the 2007 report. The 2008 ending balance of the Township Assistance Fund included an investment of \$3,453.10. The transactions for the year do not support the ending balance figure when taking the beginning balance and adding the receipts and deducting the disbursements. The annual report for the year 2009 had \$11,581.10 included in the beginning balance as investments for the Township Assistance Fund. This difference of \$8,128 caused the ending balances and the beginning balances to be different.

In our opinion, other than the information in the preceding paragraph, the financial information referred to above presents fairly, in all material respects, the financial information of the Township for the years ended December 31, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

April 6, 2010

PERRY TOWNSHIP, WAYNE COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 6,056	\$ 28,409	\$ 13,314	\$ 21,151
Township Assistance	4,150	5,960	2,758	10,805
Firefighting	1,687	75,686	48,991	28,382
Park and Recreation	7,851	3,360	-	11,211
Rainy Day	1,104	7,607	-	8,711
Cumulative Fire	5,685	8,971	-	14,656
	<u>26,533</u>	<u>129,993</u>	<u>65,063</u>	<u>94,916</u>
Totals	<u>\$ 26,533</u>	<u>\$ 129,993</u>	<u>\$ 65,063</u>	<u>\$ 94,916</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 21,151	\$ 30,221	\$ 15,498	\$ 35,874
Township Assistance	18,933	-	4,753	14,180
Firefighting	28,382	48,108	56,233	20,257
Park and Recreation	11,211	2,841	5,037	9,015
Rainy Day	8,711	2,792	-	11,503
Cumulative Fire	14,656	7,378	-	22,034
	<u>103,044</u>	<u>91,340</u>	<u>81,521</u>	<u>112,863</u>
Totals	<u>\$ 103,044</u>	<u>\$ 91,340</u>	<u>\$ 81,521</u>	<u>\$ 112,863</u>

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

PERRY TOWNSHIP, WAYNE 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.

PERRY TOWNSHIP, WAYNE COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The Township entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital Leases	\$ 13,453	\$ 13,924

PERRY TOWNSHIP, WAYNE COUNTY
EXAMINATION RESULTS AND COMMENTS

DONATIONS

Perry Township donated a total of \$1,000 to the Economy Cemetery Association. Donations were also made to the Nettle Creek Ministerial Association for \$250 and to the Jefferson Township Trustee for \$250 to fund food banks.

Governmental funds should not be donated or given to other organizations, individuals, or governmental units unless specifically authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

SUPPORTING DOCUMENTATION

Two payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records. Due to the lack of supporting information, the validity and accountability for the money disbursed could not be established.

Two checks were written for \$640 each from the Township Assistance Fund for rent for a township assistance recipient. One check was supported partially with a receipt from the landlord for \$540. However, no documentation was presented for examination to support the payment of the remaining \$100. The other check had no supporting documentation.

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)

CONDITION OF RECORDS

The bank reconciliation for December 31, 2009, was completed but was incorrect and did not reconcile with the Township records. A similar comment was in prior Report B33492.

IC 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PERRY TOWNSHIP, WAYNE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

FINANCIAL REPORT OPINION MODIFICATIONS

The beginning balance figures in the Annual Report prepared by the Trustee for the year 2008 did not agree with the ending balances from the 2007 report. The 2008 ending balance of the Township Assistance Fund included an investment of \$3,453.10. The transactions for the year do not support the ending balance figure when taking the beginning balance and adding the receipts and deducting the disbursements. The Annual Report for the year 2009 had \$11,581.10 included in the beginning balance as investments for the Township Assistance Fund. The difference of \$8,128 caused the ending balances and the beginning balances to be different. Therefore, the State Board of Accounts was unable to provide an unqualified opinion on the Independent Auditors' Report for the financial statements.

Accounting records and other public records must be maintained in a manner that will support accurate financial statements. Anything other than an unqualified opinion on the Independent Auditors' Report on the financial statements may have adverse financial consequences with the possibility of an increase in interest rate cost to the taxpayers of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PERRY TOWNSHIP, WAYNE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 6, 2010, with Dan Hollenberg, Trustee.