

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

EXAMINATION REPORT  
OF  
WABASH TOWNSHIP  
FOUNTAIN COUNTY, INDIANA  
January 1, 2007 to December 31, 2009



**FILED**  
05/14/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Amber Roarks	01-01-07 to 12-31-10
Chairman of the Township Board	Wayne Crowder Ronald Crowder	01-01-07 to 12-31-09 01-01-10 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF WABASH TOWNSHIP, FOUNTAIN COUNTY, INDIANA

We have examined the financial information presented herein of Wabash Township (Township), for the period of January 1, 2007 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.

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, 2007, 2008, and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

March 16, 2010

WABASH TOWNSHIP, FOUNTAIN COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2007, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 19,518	\$ 22,635	\$ 15,893	\$ 26,260
Dog	365	6	371	-
Township Assistance	9,210	-	3,623	5,587
Firefighting	9,914	11,707	5,086	16,535
Levy Excess	-	196	-	196
Rainy Day	356	-	-	356
Totals	<u>\$ 39,363</u>	<u>\$ 34,544</u>	<u>\$ 24,973</u>	<u>\$ 48,934</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 26,260	\$ 12,911	\$ 13,531	\$ 25,640
Township Assistance	5,587	2,269	3,140	4,716
Firefighting	16,535	5,594	5,000	17,129
Levy Excess	196	-	-	196
Rainy Day	356	-	-	356
Totals	<u>\$ 48,934</u>	<u>\$ 20,774</u>	<u>\$ 21,671</u>	<u>\$ 48,037</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 25,640	\$ 19,127	\$ 15,404	\$ 29,363
Township Assistance	4,716	5,020	4,688	5,048
Firefighting	17,129	12,161	5,000	24,290
Levy Excess	196	-	-	196
Rainy Day	356	457	-	813
Totals	<u>\$ 48,037</u>	<u>\$ 36,765</u>	<u>\$ 25,092</u>	<u>\$ 59,710</u>

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

WABASH TOWNSHIP, FOUNTAIN 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). Ordinarily, taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. In 2007, taxes were due June 8 and November 13 and distributed by December 31, 2007. In 2008, taxes were due November 10, 2008 and January 12, 2009, and were distributed February 10, 2009. In 2009, taxes were due July 10 and November 10 and were distributed by December 31, 2009.

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.

WABASH TOWNSHIP, FOUNTAIN COUNTY  
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS

The Trustee's personal business was lost in a fire on January 5, 2007. The records of the Township were in the building. The fire was deemed to be an arson and the responsible party was arrested and incarcerated. The Trustee's home was lost in a fire on November 28, 2008. The records of the Township were in the home at the time of the fire.

1. The following records were not available for examination:

Minutes of the Township Board for 2007 and 2008  
Bank reconcilements for 2007  
Invoices for 2007 and 2008  
Contracts for 2007, 2008, and 2009  
Township Assistance Applications for 2007 and 2008

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)

2. Optical images of the checks provided for January through October 2008 did not include the back sides.

IC 5-15-6-3(a) concerning optical imaging of checks states in part:

". . . 'original records' includes the optical image of a check or deposit document when:

- (1) the check or deposit document is recorded, copied, or reproduced by an optical imaging process . . . ; and
- (2) the drawer of the check receives an optical image of the check after the check is processed for payment . . . "

Furthermore, IC 26-2-8-111 states in part:

"(a) If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:

- (1) accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise; and
- (2) remains accessible for later reference."

"(e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a)."

WABASH TOWNSHIP, FOUNTAIN COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

PENALTIES, INTEREST, AND OTHER CHARGES

Penalties and interest totaling \$350 were paid to the Internal Revenue Service (IRS) for the following periods:

12-31-07	\$	326
12-31-08		24

The 2007 charge was for a payment that was originally sent December 29, 2007. The check was applied to the wrong taxing period and was refunded with interest on September 16, 2008. The mis-application is apparently due to the Township not filing a IRS Form 944 as required. The form was filed in October 2009 after an IRS compliance audit. The Treasury Department then demanded penalties and interest.

The 2008 charge was for the taxing period that concluded one month after the Township records were lost in a fire. The payment and report were approximately one month late.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

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)

COMPENSATION AND BENEFITS

A large payment of salary in 2007 and 2009 was made to the Trustee early in the year. Additionally, Amber Roarks, Trustee overpaid herself in the year 2009. She realized her error and repaid a portion of her salary, but calculated the repayment based on net pay, not gross pay. She has agreed to repay an additional \$313 to the Township.

Township Board members and Township clerks were not issued Federal Form W-2's. We could not determine whether payroll taxes were withheld based on the ledger postings. Amounts paid to Township clerks did not agree with the amount budgeted.

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)

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)

WABASH TOWNSHIP, FOUNTAIN COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

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)

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)

WABASH TOWNSHIP, FOUNTAIN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on March 16, 2010, with Amber Roarks, Trustee. The official concurred with our findings.