

B37056

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

EXAMINATION REPORT

OF

TOWN OF WILKINSON

HANCOCK COUNTY, INDIANA

January 1, 2008 to December 31, 2009



FILED
05/27/2010

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5
Examination Results and Comments:	
Bank Reconciliations	6
Capital Asset Records	6
Condition of Records	6
Exit Conference.....	7

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Janette Young	01-01-08 to 12-31-11
President of the Town Council	Richard Roberts	01-01-08 to 12-31-10



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF WILKINSON, HANCOCK COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Wilkinson (Town), for the period of January 1, 2008 to December 31, 2009. The Town'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 Town 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.

STATE BOARD OF ACCOUNTS

May 19, 2010

TOWN OF WILKINSON
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY 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:				
General	\$ 90,208	\$ 127,668	\$ 170,098	\$ 47,778
Motor Vehicle Highway	94,723	19,515	15,323	98,915
Local Road and Street	26,726	4,450	9,451	21,725
Law Enforcement Continuing Education	842	80	88	834
Riverboat	3,364	2,233	800	4,797
Rainy Day	1,853	9,661	909	10,605
Levy Excess	1,019	-	-	1,019
Cumulative Capital Improvement	3,809	1,158	2,000	2,967
Garage Sale	23	93	90	26
Brown Township Park	7,208	2,000	40	9,168
Community Development Block Grant	-	185,000	185,000	-
Proprietary Fund:				
Wastewater Utility - Operating	287,914	57,578	77,404	268,088
Fiduciary Fund:				
Payroll	533	50,217	49,373	1,378
Totals	<u>\$ 518,222</u>	<u>\$ 459,653</u>	<u>\$ 510,576</u>	<u>\$ 467,300</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 47,778	\$ 173,974	\$ 193,669	\$ 28,083
Motor Vehicle Highway	98,915	18,922	27,352	90,485
Local Road and Street	21,725	4,250	7,799	18,176
Law Enforcement Continuing Education	834	1,114	1,240	708
Riverboat	4,797	2,228	-	7,025
Rainy Day	10,605	-	-	10,605
Levy Excess	1,019	-	-	1,019
Cumulative Capital Improvement	2,967	1,092	-	4,059
Garage Sale	26	71	70	27
Brown Township Park	9,168	3,000	11,565	603
Proprietary Fund:				
Wastewater Utility - Operating	268,088	52,698	97,018	223,768
Fiduciary Fund:				
Payroll	1,378	52,548	52,059	1,867
Totals	<u>\$ 467,300</u>	<u>\$ 309,897</u>	<u>\$ 390,772</u>	<u>\$ 386,425</u>

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

TOWN OF WILKINSON
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Town 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 or highway use taxes are received 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 Town 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 Town 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.

TOWN OF WILKINSON
EXAMINATION RESULTS AND COMMENTS

BANK RECONCILIATIONS

Bank reconciliations of the fund balances to the bank account balances were not prepared monthly for the examination period. Year end reconciliations were provided for both of the years under examination; however, errors were identified in the reconciliations. A comparison of the records to the bank account at December 31, 2009, indicated cash long in the amount of \$666.50. A similar comment appeared in prior Report B32250.

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 Cities and Towns, Chapter 7)

IC 5-13-6-1(e) states in part: "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."

CAPITAL ASSET RECORDS

An inventory of capital assets was not taken during the current examination period.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded in the Capital Assets Ledger. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CONDITION OF RECORDS

The following deficiencies, relating to the recordkeeping, were present during our period of examination:

1. The annual report did not agree to the unit's records, in several instances.
2. There were a number of posting errors on the annual report as well as within the unit's records. These errors mainly included checks and receipts not recorded in the proper amounts and posting receipts and disbursements for interfund transfers.
3. There were a number of transactions recorded as negative receipts and disbursements within the unit's records.

A similar comment appeared in prior Report B32250.

IC 5-13-6-1(e) states in part: "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."

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 Cities and Towns, Chapter 7)

TOWN OF WILKINSON
EXIT CONFERENCE

The contents of this report were discussed on May 19, 2010, with Janette Young, Clerk-Treasurer; and Richard Roberts, President of the Town Council. The officials concurred with our findings.