

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
NEW GARDEN TOWNSHIP
WAYNE COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
10/20/2006

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OFFICIALS

Office

Official

Term

Trustee

Randy Davis

01-01-03 to 12-31-06

Chairman of the
Township Board

Robert McGuire

01-01-04 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF NEW GARDEN TOWNSHIP, WAYNE COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of New Garden Township (Township), for the period of January 1, 2004 to December 31, 2005. The Township's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

September 13, 2006

NEW GARDEN 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, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 7,932	\$ 24,937	\$ 19,442	\$ 13,427
Dog	573	135	138	570
Township Assistance	23,353	3,377	2,910	23,820
Firefighting	23,599	70,447	48,953	45,093
Park and Recreation	9,736	10,994	4,000	16,730
Cumulative Fire	36,023	12,501	7,320	41,204
Totals	<u>\$ 101,216</u>	<u>\$ 122,391</u>	<u>\$ 82,763</u>	<u>\$ 140,844</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 13,427	\$ 18,261	\$ 17,596	\$ 14,092
Dog	570	100	135	535
Township Assistance	23,820	2,273	2,621	23,472
Firefighting	45,093	69,350	51,709	62,734
Park and Recreation	16,730	6,682	4,000	19,412
Cumulative Fire	41,204	67,088	57,802	50,490
Totals	<u>\$ 140,844</u>	<u>\$ 163,754</u>	<u>\$ 133,863</u>	<u>\$ 170,735</u>

The accompanying notes are an integral part of the schedules.

NEW GARDEN TOWNSHIP, WAYNE COUNTY
NOTES TO SCHEDULES

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.

Note 6. Long-Term Debt

The Township has entered into a capital lease for firefighter turnout gear. The outstanding principal at December 31, 2005, was \$ 4,936.

NEW GARDEN TOWNSHIP, WAYNE COUNTY
EXAMINATION RESULTS AND COMMENTS

EXCESS TAX SUPPLEMENTAL DISTRIBUTION

The Township received an excess tax supplemental distribution on February 4, 2004, in the amount of \$1,646, that was receipted to the Firefighting Fund. The Township did not establish a Rainy Day Fund.

Indiana Code 6-3.5-6-17.3 (2) requires that supplemental distributions be ". . . allocated in the same manner as certified distributions for deposit in a civil unit's rainy day fund established under IC 36-1-8-5.1."

DEPOSIT OF PUBLIC FUNDS

We noted instances where the Trustee did not make deposits by the first and fifteenth of each month.

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."

PAYROLL DEDUCTIONS

Payments to firefighters in 2004 were made without payroll deductions for FICA tax, which may be required. Also, Medicare tax was not always computed correctly for firefighters.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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)

PUBLIC RECORDS RETENTION

Form 941's were not presented for the examination period.

Indiana Code 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

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)

NEW GARDEN TOWNSHIP, WAYNE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 13, 2006, with Randy Davis, Trustee.