

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

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



FILED
11/02/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Scott A. Gregory	01-01-03 to 12-31-06
Chairman of the Township Board	Martin Tutterow	01-01-04 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the schedules of receipts, disbursements, and cash and investment balances of Perry 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 27, 2006

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, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 9,548	\$ 13,543	\$ 9,528	\$ 13,563
Dog	112	227	-	339
Township Assistance	19,743	2,277	1,139	20,881
Firefighting	76,949	53,968	55,619	75,298
Park and Recreation	5,280	7,165	-	12,445
Rainy Day	-	1,104	-	1,104
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 111,632</u>	<u>\$ 78,284</u>	<u>\$ 66,286</u>	<u>\$ 123,630</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 13,563	\$ 10,188	\$ 9,098	\$ 14,653
Dog	339	194	444	89
Township Assistance	20,881	1,309	1,808	20,382
Firefighting	75,298	36,864	49,442	62,720
Park and Recreation	12,445	3,240	800	14,885
Rainy Day	1,104	-	-	1,104
Levy Excess	-	843	-	843
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 123,630</u>	<u>\$ 52,638</u>	<u>\$ 61,592</u>	<u>\$ 114,676</u>

The accompanying notes are an integral part of the schedules.

PERRY 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 a fire truck. The outstanding principal at December 31, 2005, was \$61,494.

PERRY TOWNSHIP, WAYNE COUNTY
EXAMINATION RESULTS AND COMMENTS

PUBLIC PURCHASES LAW

The Township purchased a Fire Rescue Truck in December 2004 from S&S Fire. The original cost was \$ 97,211. The lowest bid was not accepted and the Board did not document justifications for awarding to a higher bidder.

Indiana Code 5-22-7-8 states: "A contract must be awarded with reasonable promptness by written notice to the lowest responsible and responsive bidder."

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were noted for 2005.

- (1) Record balances were not reconciled to depository balances.

Indiana Code 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."

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)

- (2) There were a considerable number of posting errors. The errors included a tax distribution which was not receipted to the Park and Recreation Fund, check 806 was posted at an incorrect amount, check 807 and 841 to 847 were not posted to the Township Fund, receipt 32 for \$18 was not posted to the Dog Fund, and interest was not always properly posted.
- (3) Some claims lacked proper supporting documentation.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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

ANNUAL REPORT NOT FILED

The Township Trustee did not file an annual report for 2005.

Indiana Code 36-6-4-12 states: "(a) At the annual meeting of the township legislative body under IC 36-6-6-9 the executive shall present a complete report of all receipts and expenditures of the preceding calendar year, including the balance to the credit of each fund controlled by the executive."

CAPITAL ASSET RECORDS

Information presented for audit did not indicate an inventory or record of capital assets.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PERRY TOWNSHIP, WAYNE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 27, 2006, with Scott A. Gregory, Trustee.
The official concurred with our findings.