

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

EXAMINATION REPORT  
OF  
WABASH TOWNSHIP  
FOUNTAIN COUNTY, INDIANA  
January 1, 2005 to December 31, 2006



**FILED**  
07/20/2007



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OFFICIALS

| <u>Office</u>                     | <u>Official</u>               | <u>Term</u>                                  |
|-----------------------------------|-------------------------------|----------------------------------------------|
| Trustee                           | Tony Jacobs<br>Amber Bowling  | 01-01-03 to 12-31-06<br>01-01-07 to 12-31-10 |
| Chairman of the<br>Township Board | Larry Jacobs<br>Wayne Crowder | 01-01-05 to 12-31-06<br>01-01-07 to 12-31-07 |



**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, 2005 to December 31, 2006. 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, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

May 31, 2007

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, 2005 And 2006

|                     | Cash and<br>Investments<br>01-01-05 | Receipts         | Disbursements    | Cash and<br>Investments<br>12-31-05 |
|---------------------|-------------------------------------|------------------|------------------|-------------------------------------|
| Governmental Funds: |                                     |                  |                  |                                     |
| Township            | \$ 18,622                           | \$ 14,276        | \$ 9,649         | \$ 23,249                           |
| Dog                 | 217                                 | 42               | -                | 259                                 |
| Township Assistance | 12,198                              | 1,089            | 1,655            | 11,632                              |
| Firefighting        | 8,017                               | 7,667            | 5,000            | 10,684                              |
| Rainy Day           | 356                                 | -                | -                | 356                                 |
| Totals              | <u>\$ 39,410</u>                    | <u>\$ 23,074</u> | <u>\$ 16,304</u> | <u>\$ 46,180</u>                    |

|                     | Cash and<br>Investments<br>01-01-06 | Receipts         | Disbursements    | Cash and<br>Investments<br>12-31-06 |
|---------------------|-------------------------------------|------------------|------------------|-------------------------------------|
| Governmental Funds: |                                     |                  |                  |                                     |
| Township            | \$ 23,249                           | \$ 10,464        | \$ 14,195        | \$ 19,518                           |
| Dog                 | 259                                 | 106              | -                | 365                                 |
| Township Assistance | 11,632                              | 25               | 2,447            | 9,210                               |
| Firefighting        | 10,684                              | 4,230            | 5,000            | 9,914                               |
| Rainy Day           | 356                                 | -                | -                | 356                                 |
| Totals              | <u>\$ 46,180</u>                    | <u>\$ 14,825</u> | <u>\$ 21,642</u> | <u>\$ 39,363</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). 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.

WABASH TOWNSHIP, FOUNTAIN COUNTY  
EXAMINATION RESULTS AND COMMENTS

ADVANCE PAYMENTS

Dates of transactions indicate that some payments were made to the Trustee and the Clerk in advance for rent of the home office and in advance for salaries.

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)

BREAK-INS, BURGLARIES OR OTHER CRIMES

The Financial and Appropriation Record was not presented for audit. On January 5th, three days after being sworn in, the current Trustee's place of business was burned. The current Trustee had received the ledger from the past Trustee and it was in the building when it burned. An accused arsonist is currently incarcerated for the crime which damaged several business buildings.

Break-ins, burglaries or other crimes committed against the governmental unit should be documented by the filing of an official police report. Insurance companies should be contacted to request payment for any allowable coverage. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CONFLICT OF INTEREST DISCLOSURE

Sherri Jacobs, Clerk, is the spouse of Tony Jacobs, Trustee. She was paid \$1,400 and \$4,720 in 2005 and 2006, respectively, for cemetery mowing. A Uniform Conflict of Interest Disclosure Statement was not filed.

Larry Jacobs, Township Board President, was paid \$840 and \$2,230 in 2005 and 2006, respectively, for cemetery stone maintenance and repair. A Uniform Conflict of Interest Disclosure Statement was not filed.

Indiana Code 35-44-1-3 states in part:

"(a) A public servant who knowingly or intentionally: (1) has a pecuniary interest in; or (2) derives a profit from; a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Class D felony."

"(c) This section does not prohibit a public servant from having a pecuniary interest in or deriving a profit from a contract or purchase connected with the governmental entity served . . . (3) if the public servant; (A) is an elected public servant . . . and (B) makes a disclosure under subsection (d)(1) through (d)(6). . . ."

"(d) A disclosure required by this section must: (1) be in writing; (2) describe the contract or purchase to be made by the governmental entity; (3) describe the pecuniary interest that the public servant has in the contract or purchase; (4) be affirmed under penalty of perjury; (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity prior to final action on the contract or purchase; (6) be filed within fifteen (15) days after final action on the contract or purchase with: (A) the state board of accounts; and (B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase . . ."

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

"(g) A public servant has a pecuniary interest in a contract or purchase if the contract or purchase will result or is intended to result in an ascertainable increase in the income or net worth of: (1) the public servant; or (2) a dependent of the public servant who: (A) is under the direct or indirect administrative control of the public servant; or (B) receives a contract or purchase order that is reviewed, approved, or directly or indirectly administered by the public servant."

"(k) As used in this section, 'dependent' means any of the following: (1) The spouse of a public servant. (2) A child, stepchild, or adoptee (as defined in IC 31-3-4-1) of a public servant who is: (A) unemancipated; and (B) less than eighteen (18) years of age. (3) Any individual more than one-half (1/2) of whose support is provided during a year by the public servant."

CONTRACTS

Records presented for audit indicates payments were made to the City of Covington and to the Perrysville Volunteer Fire Department for \$2,500 each in 2005 and 2006 without a contract.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

DISBURSEMENT DOCUMENTATION

Five Township Fund payments observed did not have adequate supporting invoices.

Four Township Assistance disbursements were not properly supported by invoices. One application was not on file.

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)

PAYMENTS FOR CEMETERY CARE

Supporting documentation, agreements or contracts for payments for cemetery care were not presented for audit.

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)

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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

PAYROLL DEDUCTIONS

Payments to all employees were made without payroll deductions for taxes.

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)

PRESCRIBED FORMS

Township Form 15 (Annual Financial Report) was not properly filed with the State Board of Accounts.

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 Townships, Chapter 13)

WABASH TOWNSHIP, FOUNTAIN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on May 31, 2007, with Tony Jacobs, former Trustee; and Amber Bowling, Trustee. The officials concurred with our findings.