

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, 2006 to December 31, 2007



FILED
06/16/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Janette Young	01-01-04 to 12-31-11
President of the Town Council	Richard Roberts	01-01-06 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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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, 2006 to December 31, 2007. 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, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

May 28, 2008

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, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 147,804	\$ 187,744	\$ 254,815	\$ 80,733
Motor Vehicle Highway	61,965	21,911	5,464	78,412
Local Road and Street	20,601	4,472	318	24,755
Park and Recreation	930	-	930	-
Law Enforcement Continuing Education	588	20	-	608
Riverboat	4,490	2,240	2,611	4,119
Rainy Day	4,608	-	2,755	1,853
Levy Excess	919	100	-	1,019
Cumulative Capital Improvement	2,387	1,272	1,100	2,559
Garage Sale	92	78	71	99
Brown Township Park	2,280	2,928	-	5,208
Grant Match	16,289	138,827	134,119	20,997
Community Development Block Grant	-	475,000	475,000	-
Proprietary Fund:				
Wastewater Utility - Operating	285,670	79,104	71,524	293,250
Fiduciary Fund:				
Payroll	1,010	39,415	39,412	1,013
Totals	<u>\$ 549,633</u>	<u>\$ 953,111</u>	<u>\$ 988,119</u>	<u>\$ 514,625</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 80,733	\$ 185,030	\$ 175,555	\$ 90,208
Motor Vehicle Highway	78,412	22,286	5,975	94,723
Local Road and Street	24,755	4,600	2,629	26,726
Law Enforcement Continuing Education	608	234	-	842
Riverboat	4,119	2,245	3,000	3,364
Rainy Day	1,853	-	-	1,853
Levy Excess	1,019	-	-	1,019
Cumulative Capital Improvement	2,559	1,250	-	3,809
Garage Sale	99	92	168	23
Brown Township Park	5,208	2,000	-	7,208
Grant Match	20,997	35	21,032	-
Proprietary Fund:				
Wastewater Utility - Operating	293,250	61,045	66,381	287,914
Fiduciary Fund:				
Payroll	1,013	41,493	41,973	533
Totals	<u>\$ 514,625</u>	<u>\$ 320,310</u>	<u>\$ 316,713</u>	<u>\$ 518,222</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

CONDITION OF RECORDS

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

1. The annual report did not always agree to the Town's records in several instances.
2. There were a number of posting errors on the annual report as well as within the Town's records. These errors mainly included checks not being posted to the records and checks and receipts not recorded in the proper amounts.

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)

CASH NECESSARY TO BALANCE, BANK RECONCILIATIONS

A comparison of the records to the bank account at December 31, 2007, indicated cash necessary to balance of \$201.96. Further investigation during the examination revealed that errors occurred during the period under examination, and that there were unrecorded audit adjustments from the previous examination. On May 14, 2008, the Clerk-Treasurer entered the adjustments that needed to be made to the records, which once corrected brought the unidentified variance to less than \$1.

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)

TOWN OF WILKINSON
EXIT CONFERENCE

The contents of this report were discussed on May 28, 2008, with Janette Young, Clerk-Treasurer; and Richard Roberts, President of the Town Council. The officials concurred with our findings.