

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

EXAMINATION REPORT

OF

POSEY TOWNSHIP

RUSH COUNTY, INDIANA

January 1, 2004 to December 31, 2005



FILED
09/20/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	John D. Wilson Lurinda J. Smith	01-01-03 to 06-30-06 07-01-06 to 12-31-06
Chairman of the Township Board	Jeff Ernstes Priscilla Winkler	01-01-04 to 12-31-05 01-01-06 to 12-31-06



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF POSEY TOWNSHIP, RUSH COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Posey 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

August 10, 2006

POSEY TOWNSHIP, RUSH COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY 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	\$ 7,252	\$ 14,464	\$ 10,648	\$ 11,068
Dog	510	200	553	157
Township Assistance	12,388	1,343	2,095	11,636
Firefighting	62,221	44,133	42,075	64,279
Levy Excess	409	-	-	409
Fire Debt	4,434	6,945	11,000	379
Cumulative Fire	31,720	12,764	17,400	27,084
Fiduciary Fund:				
Payroll Withholdings	-	428	428	-
Totals	<u>\$ 118,934</u>	<u>\$ 80,277</u>	<u>\$ 84,199</u>	<u>\$ 115,012</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 11,068	\$ 14,428	\$ 11,100	\$ 14,396
Dog	157	288	57	388
Township Assistance	11,636	1,349	4,116	8,869
Firefighting	64,279	43,733	47,020	60,992
Levy Excess	409	-	409	-
Fire Debt	379	10,043	10,422	-
Cumulative Fire	27,084	12,856	6,000	33,940
Fiduciary Fund:				
Payroll Withholdings	-	428	428	-
Totals	<u>\$ 115,012</u>	<u>\$ 83,125</u>	<u>\$ 79,552</u>	<u>\$ 118,585</u>

The accompanying notes are an integral part of the schedules.

POSEY TOWNSHIP, RUSH 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, 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 debt such as a loan for a fire tanker. The outstanding principal at December 31, 2005, was \$51,225.

POSEY TOWNSHIP, RUSH COUNTY
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

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

A similar comment appeared in the prior Audit Report B24365.

Every governmental unit should have a complete inventory of all fixed assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable General Fixed Asset Account Group Form. 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)

PAYROLL DEDUCTIONS

Payments to some 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)

DOG TAX ADMINISTRATIVE FEE

Administrative fees for dog tax were not receipted to the Township Fund.

A similar comment appeared in the prior Audit Report B24365.

Indiana Code 15-5-9-1 states in part: "For each individual dog tag or kennel license issued under this chapter, the township assessor (or trustee who collects the fee) shall retain from the fee described in this section, an administrative fee of fifty cents (\$0.50). Administrative fees collected by the assessor shall be deposited in the county general fund, and administrative fees collected by the trustee shall be deposited in the township general fund."

POSEY TOWNSHIP, RUSH COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 10, 2006 with Lurinda J. Smith, Trustee. The official concurred with our findings.