

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

EXAMINATION REPORT
OF
COLUMBUS TOWNSHIP
BARTHOLOMEW COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
09/22/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Frederick Barks	01-01-03 to 12-31-06
Chairman of the Township Board	Kenneth Greenlee	01-01-04 to 12-31-04
	John McCauley	01-01-05 to 12-31-05
	Stephen Combs	01-01-06 to 12-31-06



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF COLUMBUS TOWNSHIP, BARTHOLOMEW COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Columbus 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 2, 2006

COLUMBUS TOWNSHIP, BARTHOLOMEW 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	\$ 244,020	\$ 202,446	\$ 205,042	\$ 241,424
Dog	328	202	48	482
Township Assistance	433,053	620,205	605,448	447,810
Firefighting	155,515	146,045	158,229	143,331
Levy Excess	-	9,013	9,013	-
Cumulative Fire	53,131	36,765	69,625	20,271
Totals	<u>\$ 886,047</u>	<u>\$ 1,014,676</u>	<u>\$ 1,047,405</u>	<u>\$ 853,318</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 241,424	\$ 134,619	\$ 200,245	\$ 175,798
Dog	482	170	206	446
Township Assistance	447,810	633,129	656,312	424,627
Firefighting	143,331	173,702	238,038	78,995
Cemetery	-	56,541	29,946	26,595
Levy Excess	-	37,490	-	37,490
Cumulative Fire	20,271	35,805	35,913	20,163
Totals	<u>\$ 853,318</u>	<u>\$ 1,071,456</u>	<u>\$ 1,160,660</u>	<u>\$ 764,114</u>

The accompanying notes are an integral part of the schedules.

COLUMBUS TOWNSHIP, BARTHOLOMEW 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.

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.

COLUMBUS TOWNSHIP, BARTHOLOMEW COUNTY
NOTES TO SCHEDULES
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Township contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Township authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

OLUMBUS TOWNSHIP, BARTHOLOMEW COUNTY
EXAMINATION RESULT AND COMMENT

HEALTH INSURANCE BENEFITS

The Township does not provide group health insurance benefits to employees. Monthly, the spouse of each employee is reimbursed, by a township check, for the premium difference between a single plan and a family plan on the spouse's coverage.

Additionally, no information was presented for audit to indicate a reporting of the additional compensation for tax purposes.

Indiana Code 5-10-8-1 states in part: . . . "(2) 'Group insurance' means any of the kinds of insurance fulfilling the definitions and requirements of group insurance contained in IC 27-1."

Indiana Code 5-10-8-2.6 states in part: . . . "(b) A public employer may provide programs of group insurance for its employees and retired employees. . . . A public employer may provide programs of group health insurance under this section through one (1) of the following methods:

- (1) By purchasing policies of group insurance.
- (2) By establishing self-insurance programs.
- (3) By electing to participate in the local unit group of local units that offer the state employee health plan under section 6.6 of this chapter . . ."

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 funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

COLUMBUS TOWNSHIP, BARTHOLOMEW COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 2, 2006, with Frederick Barkes, Trustee, and Sandy Barkes, Office Manager. The official response has been made a part of this report and may be found on page 9.



Columbus Township Trustee

COLUMBUS TOWNSHIP TRUSTEE
BARTHOLOMEW COUNTY, INDIANA
PO Box 1256
1333 Washington Street
Columbus, Indiana 47202-1256
812 372-8249 Fax 812 372-6705

August 9, 2006

2004 – 2005 Audit

COLUMBUS TOWNSHIP RESPONSE

Health Insurance Benefits

Prior to January 1, 2001, the employees of Columbus Township were permitted to participate in the group health insurance program offered by Bartholomew County to the County's employees, because the duties of the Township's employees included the administration of Poor Relief, and, pursuant to the law that existed at that time, the County administered the Poor Relief Funds for the Township.

Beginning in 2001, pursuant to a change in the law, Columbus Township began administering its own Poor Relief funds. As a result, Bartholomew County refused to permit any new Township's employees to participate in its group health insurance program. The former employee's were "grandfathered" by the County into their health insurance program.

In 2001, the Columbus Township Board passed a resolution to provide health insurance to new Township employees by reimbursing the employee's spouse for the premium cost. This policy and the payments under this policy have been audited by the State Board of Accounts, prior to the present audit and have received no negative comment.

Fred Barkes became Columbus Township Trustee in January 2003. Mr. Barkes continued the health insurance program adopted and approved by the prior administration. Mr. Barkes presumed that the program complied with the standards adopted by State Board of Accounts Audit, since Columbus Township had been audited for the period ending December 31, 2003 and the audit contained no comments on the health insurance program.

Columbus Township has investigated various options to purchase group health insurance, either as a separate entity or in conjunction with other local units of government. No reasonably priced plan is available.

Having reviewed the preliminary audit comments for the period from January 1, 2004 through December 31, 2005, Bartholomew Township will implement the recommendations of the auditor by incorporating any reimbursements for health insurance into the compensation of the employees as approved by the Township Board.

Frederick E. Barkes
Columbus Township Trustee
Bartholomew County, Indiana