

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

EXAMINATION REPORT  
OF  
KEENER TOWNSHIP  
JASPER COUNTY, INDIANA  
January 1, 2005 to December 31, 2005



**FILED**  
11/17/2006



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report .....	3
Schedule of Receipts, Disbursements, and Cash and Investment Balances.....	4
Notes to Schedule .....	5-6
Examination Results and Comments:	
Penalties, Interest and Other Charges .....	7
Board Minutes.....	7
Unavailable Records.....	7
Capital Asset Records .....	7
Exit Conference .....	8

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Michael Orsburn	01-01-03 to 03-31-05
	Vacant	04-01-05 to 04-24-05
	Diana Haberlin	04-25-05 to 12-31-06
Chairman of the Township Board	Robert Bryan	01-01-05 to 12-31-06



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF KEENER TOWNSHIP, JASPER COUNTY, INDIANA

We have examined the schedule of receipts, disbursements, and cash and investment balances of Keener Township (Township), for the period of January 1, 2005 to December 31, 2005. The Township's management is responsible for the schedule. 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 schedule referred to above presents fairly, in all material respects, the cash transactions of the Township for the year ended December 31, 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

October 3, 2006

KEENER TOWNSHIP, JASPER COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Year Ended December 31, 2005

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 176,739	\$ 59,878	\$ 44,215	\$ 192,402
Dog	372	89	72	389
Township Assistance	19,999	9,837	8,343	21,493
Firefighting	87,987	194,926	194,259	88,654
Fire Debt	471	-	-	471
Cumulative Fire	165,703	86,056	162,513	89,246
EMS	253,136	389,981	261,319	381,798
Homeland Security Grant	-	82,146	82,146	-
DNR Grant	-	3,456	3,456	-
Levy Excess	-	3,986	-	3,986
Fiduciary Fund:				
Payroll Withholdings	789	2,278	2,190	877
Totals	<u>\$ 705,196</u>	<u>\$ 832,633</u>	<u>\$ 758,513</u>	<u>\$ 779,316</u>

The accompanying notes are an integral part of the schedules.

KEENER TOWNSHIP, JASPER COUNTY  
NOTES TO SCHEDULE

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.

KEENER TOWNSHIP, JASPER COUNTY  
NOTES TO SCHEDULE  
(Continued)

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 station. The outstanding principal at December 31, 2005, was \$161,203.

Note 7. Subsequent Events

The Township upgraded its emergency medical service to include paramedics. The Township received approval for an additional appropriation of \$200,000 in the EMS fund to cover costs associated with this change and expects the additional costs to approach this amount.

In connection with unauthorized disbursements by a former Trustee, the Township has been reimbursed by insurers \$40,000.

KEENER TOWNSHIP, JASPER COUNTY  
EXAMINATION RESULTS AND COMMENTS

PENALTIES, INTEREST AND OTHER CHARGES

Penalties and interest totaling \$39.92 was paid to the Internal Revenue Service on December 31, 2005, for the quarter ended March 31, 2005.

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)

BOARD MINUTES

Not all actions taken by the Board were easily discernable from the minutes of meetings due to their handwritten nature.

Indiana Code 5-14-1.5-4(b) states:

"As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes taken, by individual members if there is a roll call.
- (5) Any additional information required under IC 5-1.5-2-2.5 or IC 20-12-63-7."

UNAVAILABLE RECORDS

Due to a continuing investigation (see prior Report B25515), some records of the Township were not presented for audit. Those records unavailable were:

Minutes of Township Board meetings from January through July 2005, October 4, November 9, and November 28, 2005  
Resolution Recommending Salaries of Township Officers and Employees Form 17  
Indiana Department of Local Government Financial Additional Appropriation Approvals

CAPITAL ASSET RECORDS

Information presented for audit did not indicate an inventory or record of capital assets using Form 369, Capital Asset Ledger. A similar comment appeared in prior Report B25515.

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 Assets 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)

KEENER TOWNSHIP, JASPER COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 4, 2006, with Diana Haberlin, Trustee. The official concurred with out audit findings.