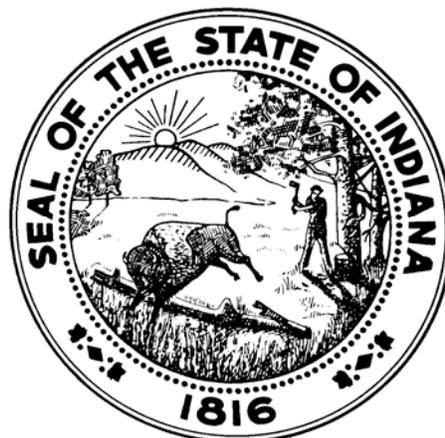


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
NEVINS TOWNSHIP
VIGO COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
12/11/2006

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OFFICIALS

Office

Official

Term

Trustee

Carl Gregory

01-01-03 to 12-31-06

Chairman of the
Township Board

William Camp
Larry Niece
William Camp

01-01-04 to 12-31-04
01-01-05 to 12-31-05
01-01-06 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF NEVINS TOWNSHIP, VIGO COUNTY, INDIANA

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

October 11, 2006

NEVINS TOWNSHIP, VIGO 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	\$ (13,066)	\$ 39,433	\$ 24,821	\$ 1,546
Dog	1,006	817	951	872
Township Assistance	256	11,711	2,198	9,769
Firefighting	73	33,336	33,301	108
Cumulative Fire	28,805	21,471	22,500	27,776
Totals	<u>\$ 17,074</u>	<u>\$ 106,768</u>	<u>\$ 83,771</u>	<u>\$ 40,071</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 1,546	\$ 28,785	\$ 31,290	\$ (959)
Dog	872	933	595	1,210
Township Assistance	9,769	3,202	1,011	11,960
Firefighting	108	17,412	17,435	85
Cumulative Fire	27,776	12,651	6,832	33,595
Levy Excess	-	1,569	-	1,569
Totals	<u>\$ 40,071</u>	<u>\$ 64,552</u>	<u>\$ 57,163</u>	<u>\$ 47,460</u>

The accompanying notes are an integral part of the schedules.

NEVINS TOWNSHIP, VIGO 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.

NEVINS TOWNSHIP, VIGO COUNTY
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
Fire Fighting	2004	\$ 14,458
General	2005	445

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not presented for audit. Lists of outstanding checks were not presented for audit.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

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 Townships, Chapter 13)

OVERDRAWN FUND BALANCE

The General Fund was overdrawn at December 31, 2005. The negative fund balance occurred as a result of a payroll withholding posting error in January of 2004, which caused the General Fund balance to be incorrect in the ledger throughout 2004 and 2005.

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

NEVINS TOWNSHIP, VIGO COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 11, 2006, with Carl Gregory, Trustee; and Amanda Heber, Clerk. The officials concurred with our findings.