

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

EXAMINATION REPORT
OF
MONTGOMERY TOWNSHIP
GIBSON COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
01/16/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Theresa Roudebush	01-01-03 to 12-31-06
Chairman of the Township Board	Wayne Dearing	01-01-04 to 12-31-04
	Herbert Davis	01-01-05 to 12-31-05
	Kenneth Dillon	01-01-06 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF MONTGOMERY TOWNSHIP, GIBSON COUNTY, INDIANA

We have examined the financial information presented herein of Montgomery Township (Township), for the period of January 1, 2004 to December 31, 2005. The Township'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 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

December 12, 2006

MONTGOMERY TOWNSHIP, GIBSON 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:				
Township	\$ 66,221	\$ 28,066	\$ 35,800	\$ 58,487
Dog	502	160	202	460
Township Assistance	27,505	40,620	24,785	43,340
Park and Recreation	<u>38,888</u>	<u>836</u>	<u>9,977</u>	<u>29,747</u>
Totals	<u>\$ 133,116</u>	<u>\$ 69,682</u>	<u>\$ 70,764</u>	<u>\$ 132,034</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Township	\$ 58,487	\$ 37,001	\$ 38,705	\$ 56,783
Dog	460	196	250	406
Township Assistance	43,340	24,530	34,908	32,962
Park and Recreation	<u>29,747</u>	<u>10,130</u>	<u>5,815</u>	<u>34,062</u>
Totals	<u>\$ 132,034</u>	<u>\$ 71,857</u>	<u>\$ 79,678</u>	<u>\$ 124,213</u>

The accompanying notes are an integral part of the schedules.

MONTGOMERY TOWNSHIP, GIBSON COUNTY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Township was established under the laws of the State of Indiana. The Township provides the following services: 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.

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.

MONTGOMERY TOWNSHIP, GIBSON COUNTY
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not presented for examination. A similar comment appeared in the prior examination report.

Indiana Code 5-13-6-1(e) states in part: "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)

BOARD OF FINANCE

The minutes presented for examination did not contain information related to the annual meeting of the board of finance or the election of officers to the board of finance.

Indiana Code 5-13-7-6(a) states in part: "Each local board of finance shall meet annually after the first Monday and on or before the last day of January. At the annual meeting the board of finance shall . . . Elect, from the board's membership . . . a president; and a secretary . . . The officers elected hold office until the officers' successors are elected and qualified."

DEPOSIT OF PUBLIC FUNDS

We noted instances where the Trustee was making deposits only once a month.

Indiana Code 5-13-6-1(c) states in part: "The public funds collected by township trustees shall be deposited in the designated depository on or before the first and fifteenth day of each month."

OVERPAYMENT COLLECTIONS

Overpayments of \$1,339 were made to the Indiana Department of Revenue. Refunds have not been received as of December 5, 2006.

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

MONTGOMERY TOWNSHIP, GIBSON COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

PRESCRIBED FORMS

The following prescribed forms were not in use:

Township Assistance Form TA-1B - Application For
Additional or Continuing Township Assistance
General Form 101 - Mileage Claim

The following prescribed forms were not being used in the prescribed manner:

Township Assistance Form TA-1 - Application For Township Assistance

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 Townships, Chapter 13)

TRANSACTION RECORDING

Some items such as the deposit of local tax distributions were not entered in the financial and appropriation records of the township.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

MONTGOMERY TOWNSHIP, GIBSON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 12, 2006, with Theresa Roudebush, Trustee. The official concurred with our findings.