

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

EXAMINATION REPORT
OF
ARMSTRONG TOWNSHIP
VANDERBURGH COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
02/21/2007

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report	3
Financial Information: Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information.....	5
Examination Results and Comments: Official Bond	6
Payroll Withholdings	6
Exit Conference	7

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Randall Kron	01-01-03 to 12-31-10
Chairman of the Township Board	Melvin Kron	01-01-04 to 12-31-04
	Francis J. Martin	01-01-05 to 12-31-06
	Melvin Kron	01-01-07 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF ARMSTRONG TOWNSHIP, VANDERBURGH COUNTY, INDIANA

We have examined the financial information presented herein of Armstrong 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 7, 2006

ARMSTRONG TOWNSHIP, VANDERBURGH 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:				
Township	\$ 81,214	\$ 14,959	\$ 9,560	\$ 86,613
Dog	600	123	310	413
Township Assistance	12,758	-	-	12,758
Firefighting	26,658	59,539	61,260	24,937
Rainy Day	-	660	-	660
Fiduciary Fund:				
Payroll Withholdings	<u>1,025</u>	<u>1,022</u>	<u>2,040</u>	<u>7</u>
Totals	<u>\$ 122,255</u>	<u>\$ 76,303</u>	<u>\$ 73,170</u>	<u>\$ 125,388</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Township	\$ 86,613	\$ 1,601	\$ 9,506	\$ 78,708
Dog	413	405	113	705
Township Assistance	12,758	-	-	12,758
Firefighting	24,937	75,295	64,320	35,912
Park and Recreation	660	-	-	660
Fiduciary Fund:				
Payroll Withholdings	<u>7</u>	<u>795</u>	<u>802</u>	<u>-</u>
Totals	<u>\$ 125,388</u>	<u>\$ 78,096</u>	<u>\$ 74,741</u>	<u>\$ 128,743</u>

The accompanying notes are an integral part of the schedules.

ARMSTRONG TOWNSHIP, VANDERBURGH 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: 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.

ARMSTRONG TOWNSHIP, VANDERBURGH COUNTY
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The official bond for the Trustee for his current term of January 1, 2003 to December 31, 2006, was not filed in the Office of the County Recorder.

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder . . ."

PAYROLL WITHHOLDINGS

The payroll withholdings for 2003 were paid in February 2004. The payment to the Internal Revenue Service was for the proper amount. However, the payment to the Indiana Department of Revenue for State and local taxes was overpaid by \$1,015.36. The Township Trustee has not requested a refund of the overpayment.

The payroll withholdings for 2004 have not been paid. The Township owes the Internal Revenue Service \$1,242.08 for federal and social security taxes and the Indiana Department of Revenue \$241.08 for state and local taxes.

The payroll withholdings for 2005 were handled properly.

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

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)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (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)

ARMSTRONG TOWNSHIP, VANDERBURGH COUNTY
EXIT CONFERENCE

The contents of this report were discussed on January 25, 2007, with Joyce Kron, Chief Deputy Trustee. The official concurred with our findings.