

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

EXAMINATION REPORT

OF

SCOTT TOWNSHIP

VANDERBURGH COUNTY, INDIANA

January 1, 2004 to December 31, 2005



FILED

02/21/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Robert F. Harris	01-01-03 to 12-31-10
Chairman of the Township Board	James E. McCutchan	01-01-04 to 12-31-04
	Wayne Jackson	01-01-05 to 12-31-05
	James E. McCutchan	01-01-06 to 12-31-06
	Wayne Jackson	01-01-07 to 12-31-07



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Scott 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

January 8, 2007

SCOTT TOWNSHIP, VANDERBURGH 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	\$ 84,125	\$ 17,385	\$ 44,318	\$ 57,192
Dog	3,130	2,417	2,170	3,377
Township Assistance	15,560	-	295	15,265
Firefighting	17,485	280,166	297,651	-
Park and Recreation	78,670	24,050	102,194	526
Fire House Debt	35,941	78,368	114,309	-
Fire Equipment Debt	9,991	-	3,245	6,746
Emergency Medical Services	9,977	113,675	123,652	-
Park Bond Debt	-	84,473	38,834	45,639
Donations	-	600	370	230
Rainy Day	-	6,057	-	6,057
Cumulative Fire	89,076	99,039	86,733	101,382
Totals	<u>\$ 343,955</u>	<u>\$ 706,230</u>	<u>\$ 813,771</u>	<u>\$ 236,414</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Township	\$ 57,192	\$ 28,640	\$ 46,140	\$ 39,692
Dog	3,377	2,416	2,416	3,377
Township Assistance	15,265	-	310	14,955
Firefighting	-	298,925	297,886	1,039
Park and Recreation	526	34,731	23,273	11,984
Fire Equipment Debt	6,746	-	-	6,746
Emergency Medical Services	-	106,096	97,342	8,754
Park Bond Debt	45,639	64,961	119,986	(9,386)
Donations	230	220	-	450
Rainy Day	6,057	-	-	6,057
Cumulative Fire	101,382	99,966	44,333	157,015
Park Shelter Rental Fees	-	650	-	650
Totals	<u>\$ 236,414</u>	<u>\$ 636,605</u>	<u>\$ 631,686</u>	<u>\$ 241,333</u>

The accompanying notes are an integral part of the schedules.

SCOTT 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, 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.

Note 6. Long-Term Debt

The Township has entered into debt such as bonds to purchase land for a park. The outstanding principal at December 31, 2005 was \$430,278.

SCOTT TOWNSHIP, VANDERBURGH COUNTY
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

Information presented for examination did not indicate an inventory or record of capital assets using Form 369.

A similar comment was in the prior report.

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 Asset 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)

RECEIPT ISSUANCE

Receipts were not always issued.

A similar comment was in the prior report.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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)

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>
Park and Recreation	2004	\$ 66,193
Park Bond Debt	2005	44,361

SCOTT TOWNSHIP, VANDERBURGH COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

A similar comment appeared in several prior reports.

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."

OVERDRAWN FUND BALANCE

The Park Bond Debt Fund was overdrawn in 2005.

The balance of any fund may not be reduced below zero. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OFFICIAL BOND

The following official bond was not recorded in the Office of the County Recorder:

Robert F. Harris, Scott Township Trustee for 2004 and 2005

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 . . ."

SCOTT TOWNSHIP, VANDERBURGH COUNTY
EXIT CONFERENCE

The contents of this report were discussed on January 8, 2007, with Robert F. Harris, Trustee; and Barbara Harris, Clerk. The officials concurred with our findings.