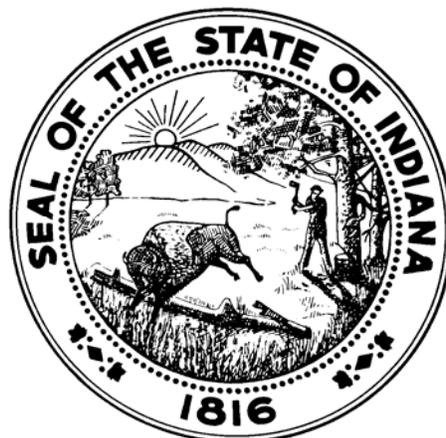


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
TROY TOWNSHIP  
FOUNTAIN COUNTY, INDIANA  
January 1, 2005 to December 31, 2006



**FILED**  
07/20/2007



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Bruce G. Gee Troy M. Stewart	01-01-03 to 12-31-06 01-01-07 to 12-31-07
Chairman of the Township Board	Joe Whitaker Ross Hankins	01-01-05 to 12-31-06 01-01-07 to 12-31-07



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF TROY TOWNSHIP, FOUNTAIN COUNTY, INDIANA

We have examined the financial information presented herein of Troy Township (Township), for the period of January 1, 2005 to December 31, 2006. 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, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

May 24, 2007

TROY TOWNSHIP, FOUNTAIN COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Township	\$ 85,268	\$ 16,883	\$ 20,284	\$ 81,867
Dog	101	-	-	101
Township Assistance	18,544	18,053	19,722	16,875
Firefighting	963	17,568	17,070	1,461
Park and Recreation	638	964	1,005	597
Rainy Day	2,378	-	-	2,378
Levy Excess	121	206	-	327
Cumulative Fire	<u>80,405</u>	<u>10,954</u>	<u>39,886</u>	<u>51,473</u>
Totals	<u>\$ 188,418</u>	<u>\$ 64,628</u>	<u>\$ 97,967</u>	<u>\$ 155,079</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 81,867	\$ 17,612	\$ 23,387	\$ 76,092
Dog	101	84	-	185
Township Assistance	16,875	19,247	23,404	12,718
Firefighting	1,461	18,701	17,000	3,162
Park and Recreation	597	1,093	1,000	690
Cemetery	2,378	-	-	2,378
Levy Excess	327	-	-	327
Cumulative Fire	<u>51,473</u>	<u>11,078</u>	<u>-</u>	<u>62,551</u>
Totals	<u>\$ 155,079</u>	<u>\$ 67,815</u>	<u>\$ 64,791</u>	<u>\$ 158,103</u>

The accompanying notes are an integral part of the financial information.

TROY TOWNSHIP, FOUNTAIN 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.

TROY TOWNSHIP, FOUNTAIN COUNTY  
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

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

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)

APPROPRIATIONS

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

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
Township Assistance	2005	\$ 1,762
Township Assistance	2006	5,477
Township General	2006	2,006

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."

TROY TOWNSHIP, FOUNTAIN COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

Social Security and Medicare withholding taxes were not applied to Board salaries.

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)

TROY TOWNSHIP, FOUNTAIN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on May 24, 2007, with Bruce G. Gee, former Trustee; and Troy M. Stewart, Trustee. The officials concurred with our findings.