

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

EXAMINATION REPORT  
OF  
PINE TOWNSHIP  
WARREN COUNTY, INDIANA  
January 1, 2005 to December 31, 2006



**FILED**  
09/24/2007



## 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:	
Bank Account Reconciliations .....	6
Prescribed Forms .....	6
Deposit of Public Funds.....	6
Disbursement Documentation .....	7
Federal and State Agencies – Compliance Requirements .....	7
Exit Conference.....	8

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Roger L. Eberly Debra J. Trueblood	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Chairman of the Township Board	Michael Booth	01-01-05 to 12-31-07



**STATE OF INDIANA**  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF PINE TOWNSHIP, WARREN COUNTY, INDIANA

We have examined the financial information presented herein of Pine 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

July 17, 2007

PINE TOWNSHIP, WARREN 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	\$ 45,172	\$ 22,310	\$ 12,642	\$ 54,840
Township Assistance	10,977	5,434	1,715	14,696
Firefighting	39,886	5,713	4,550	41,049
Cumulative Fire	27,685	2,949	52	30,582
Dog	238	155	-	393
Levy Excess	-	265	-	265
Totals	<u>\$ 123,958</u>	<u>\$ 36,826</u>	<u>\$ 18,959</u>	<u>\$ 141,825</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 54,840	\$ 32,308	\$ 13,549	\$ 73,599
Township Assistance	14,696	5,647	1,493	18,850
Firefighting	41,049	8,733	4,569	45,213
Cumulative Fire	30,582	6,280	-	36,862
Dog	393	178	120	451
Levy Excess	265	299	-	564
Totals	<u>\$ 141,825</u>	<u>\$ 53,445</u>	<u>\$ 19,731</u>	<u>\$ 175,539</u>

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

PINE TOWNSHIP, WARREN 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. However, 2006 taxes became delinquent if not paid by June 2 and November 10, 2006.

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.

PINE TOWNSHIP, WARREN COUNTY  
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not presented for examination.

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)

PRESCRIBED FORMS

The following prescribed forms were not in use:

Township Form 1C - Financial and Appropriations Ledger  
Township Form 17 - Resolution Establishing Salaries of Township Officers and Employees  
Township Assistance Form TA-1 - Application for Township Assistance  
Township Assistance Form TA-1B - Application for Additional or Continuing Assistance  
Township Assistance Form TA-2 - Township Assistance Purchase Order

A similar comment appeared in prior Report B26842.

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)

All governmental units are required by law to use the forms prescribed by this department; however, if it is desirable to use a different form or to have a prescribed form modified to conform for computer applications, a letter and three copies of the proposed form may be submitted to the State Board of Accounts for approval. No form should be printed and placed into use, other than a prescribed form, without prior approval. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

DEPOSIT OF PUBLIC FUNDS

Eight of eleven county distributions were deposited subsequent to the first or fifteenth of the 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."

PINE TOWNSHIP, WARREN COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

DISBURSEMENT DOCUMENTATION

Two payments were observed which did not contain adequate supporting documentation such as receipts and invoices. \$697.67 of \$1,498.49 in Township Assistance disbursements did not contain supporting documentation such as receipts or invoices. Due to the lack of supporting information, the validity and accountability for some monies disbursed could not be established. A similar comment appeared in prior Report B26842.

Payments were observed in regards to a library contract, however the payments did not agree to the contract provided for examination. Payments were also observed in regards to firefighting contracts. A contract with Pine Village Volunteer Fire Department was not presented for examination. Payments made for firefighting services in 2005 with Grant Township did not agree with the contracted amount.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

Pine Township did not comply with directives of the Internal Revenue Service. The Trustee did not withhold taxes from the Township Assistance Clerk, or issue a W2 for these earnings. These wages were reported on Form 1099. The Trustee did not report to tax authority amounts received by the Trustee from the Township for the use of part of the Trustee's residence for an office during the examination period.

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)

PINE TOWNSHIP, WARREN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 17, 2007, with Debra J. Trueblood, Trustee.