

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

EXAMINATION REPORT
OF
SPRINGFIELD TOWNSHIP
LAPORTE COUNTY, INDIANA
January 1, 2005 to December 31, 2006



FILED
10/31/2007

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OFFICIALS

Office

Official

Term

Trustee

Howard Conley

01-01-03 to 12-31-10

Chairman of the
Advisory Board

Daniel Kilgore

01-01-05 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF SPRINGFIELD TOWNSHIP, LAPORTE COUNTY, INDIANA

We have examined the financial information presented herein of Springfield 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

September 18, 2007

SPRINGFIELD TOWNSHIP, LAPORTE 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, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Township	\$ 84,480	\$ 39,429	\$ 70,175	\$ 53,734
Dog	1,069	310	559	820
Township Assistance	87	25,733	12,875	12,945
Firefighting	29,908	195,723	141,582	84,049
FEMA	-	5,135	5,135	-
Levy Excess	1,983	1,363	1,983	1,363
Fire Equipment Debt	22,665	53,188	48,110	27,743
Cumulative Fire	59,123	34,823	284	93,662
Fiduciary Fund:				
Payroll Withholdings	1,453	3,777	5,458	(228)
Totals	<u>\$ 200,768</u>	<u>\$ 359,481</u>	<u>\$ 286,161</u>	<u>\$ 274,088</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 53,734	\$ 49,682	\$ 73,606	\$ 29,810
Dog	820	421	738	503
Township Assistance	12,945	12,762	21,815	3,892
Firefighting	84,049	531,201	580,286	34,964
FEMA	-	4,616	4,615	1
Levy Excess	1,363	3,642	-	5,005
Fire Equipment Debt	27,743	49,211	50,034	26,920
Cumulative Fire	93,662	35,776	60,125	69,313
Fiduciary Fund:				
Payroll Withholdings	(228)	4,426	4,469	(271)
Totals	<u>\$ 274,088</u>	<u>\$ 691,737</u>	<u>\$ 795,688</u>	<u>\$ 170,137</u>

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

SPRINGFIELD TOWNSHIP, LAPORTE 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.

SPRINGFIELD TOWNSHIP, LAPORTE COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Township contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Township authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Note 7. Long-Term Debt

In 2002, the Township entered into a loan for a fire truck. The outstanding principal at December 31, 2006, was \$69,010.

In 2006, the Township borrowed \$415,000 to buy a new fire truck. The annual interest rate on the loan is 4.7%. The first semiannual payment of \$41,534 is due July 10, 2007, and the loan matures on January 10, 2013.

Note 8. Subsequent Event

Due to delays caused by trending of assessments, the assessed valuations of LaPorte County have not been finalized. Therefore, the 2006 pay 2007 property tax rates and levies, as well as related budget orders for 2007, have not yet been established as of August 20, 2007.

SPRINGFIELD TOWNSHIP, LAPORTE COUNTY
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The Trustee's official bond was not filed in the Office of the County Recorder for the years 2005 and 2006.

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 . . ."

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

Officials or employees of the Township had money due from the Township, but a list of such employees was not certified to the County Treasurer in 2005 and 2006.

Indiana Code 6-1.1-22-14(a) states in part: "On or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the names and addresses of each person who has money due the person from the political subdivision to the treasurer of each county in which the political subdivision is located."

RECEIPT ISSUANCE

Receipts were not issued or recorded when money was received.

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 examination indicated the following expenditures in excess of budgeted appropriations:

SPRINGFIELD TOWNSHIP, LAPORTE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Fire Equipment Debt	2006	<u>\$ 2,034</u>

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."

CONTRACT PAYMENTS

The Township has a contractual agreement with Springfield Township Volunteer Fire Department, Incorporated for fire protection. Overpayments of \$500 were made to the Fire Department in 2005.

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

CONDITION OF RECORDS

The beginning balances on the 2005 and 2006 Township Annual Reports did not agree to the ending balances from the prior Annual Reports. The abstract of receipts and disbursements for 2005 from the computerized monthly reports did not equal the receipts and disbursements on the 2005 Township Annual Report. The 2006 receipts and disbursements could not be verified because some of the monthly reports were not presented for review.

The 2006 bank reconciliation was less than the total record balance by \$214.00.

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)

SPRINGFIELD TOWNSHIP, LAPORTE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 18, 2007, with Howard Conley, Trustee; and Carol Millsap, Clerk.