

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

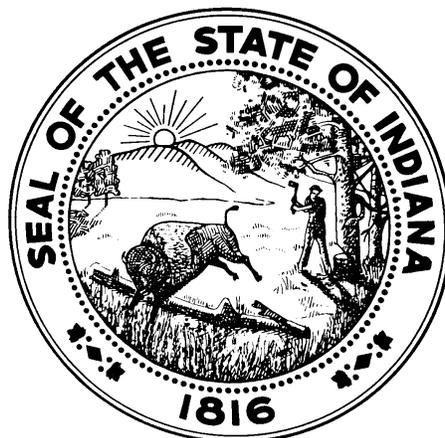
EXAMINATION REPORT

OF

OWEN TOWNSHIP

CLARK COUNTY, INDIANA

January 1, 2005 to December 31, 2006



**FILED**  
12/28/2007



## 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:	
Federal and State Agencies – Compliance Requirements .....	6
Optical Images of Checks.....	6
Township Assistance Procedures .....	7
Exit Conference.....	8

OFFICIALS

Office

Official

Term

Trustee

Leroy Graebe

01-01-03 to 12-31-10

Chairman of the  
Township Board

Ray Goforth  
Donald Jones

01-01-03 to 12-31-05  
01-01-06 to 12-31-07



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF OWEN TOWNSHIP, CLARK COUNTY, INDIANA

We have examined the financial information presented herein of Owen 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

October 11, 2007

OWEN TOWNSHIP, CLARK 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	\$ 12,028	\$ 17,688	\$ 11,374	\$ 18,342
Dog	312	12	12	312
Township Assistance	<u>6,936</u>	<u>3,876</u>	<u>2,482</u>	<u>8,330</u>
Totals	<u>\$ 19,276</u>	<u>\$ 21,576</u>	<u>\$ 13,868</u>	<u>\$ 26,984</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 18,342	\$ 24,550	\$ 11,480	\$ 31,412
Dog	312	73	12	373
Township Assistance	<u>8,330</u>	<u>4,955</u>	<u>5,535</u>	<u>7,750</u>
Totals	<u>\$ 26,984</u>	<u>\$ 29,578</u>	<u>\$ 17,027</u>	<u>\$ 39,535</u>

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

OWEN TOWNSHIP, CLARK 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: 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.

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.

OWEN TOWNSHIP, CLARK COUNTY  
EXAMINATION RESULTS AND COMMENTS

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The Township did not withhold Social Security and Medicare taxes from Township Board members' compensation and did not issue Internal Revenue Service W-2 Forms to Township Board members.

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)

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)

OPTICAL IMAGES OF CHECKS

The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned an optical image of only the front side of the checks.

Indiana Code 5-15-6-3(a) concerning optical imaging of checks states in part:

". . . 'original records' includes the optical image of a check or deposit document when:

- (1) the check or deposit document is recorded, copied, or reproduced by an optical imaging process . . . ; and
- (2) the drawer of the check receives an optical image of the check after the check is processed for payment . . ."

Furthermore, Indiana Code 26-2-8-111 states in part:

"(a) If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:

- (1) accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise; and
- (2) remains accessible for later reference."

"(e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a)."

OWEN TOWNSHIP, CLARK COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

TOWNSHIP ASSISTANCE PROCEDURES

We found the following deficiencies regarding the processing of Township assistance:

1. No written Township assistance standards were presented for examination.

Indiana Code 12-20-5.5-1 states in part:

"(a) The township trustee shall process all applications for township assistance according to uniform written standards . . ."

"(b) The township's standards for the issuance of township assistance and the processing of applications must be: . . . (2) proposed by the township trustee, adopted by the township board, and filed with the board of county commissioners; . . ."

2. We found instances of Applications for Township Assistance (Form TA-1) not on file or were not completed.

Indiana Code 12-20-6-1(a) states: "A township trustee may not extend aid to an individual or a household unless an application and affidavit setting forth the personal condition of the individual or household has been filed with the trustee within one hundred eighty (180) days before the date aid is extended."

3. Investigations to determine if applicants qualified to receive township assistance were not documented for any of the Applications for Township Assistance (Form TA-1) examined.

Indiana Code 12-20-6-9 states in part: "If an application for township assistance is made to the township trustee . . . the township trustee . . . shall carefully investigate the circumstances of the applicant and each member of the applicant's household . . ."

OWEN TOWNSHIP, CLARK COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 11, 2007, with Leroy Graebe, Trustee. The official concurred with our findings.