

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

EXAMINATION REPORT
OF
SPENCER TOWNSHIP
JENNINGS COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
05/15/2008

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OFFICIALS

Office

Official

Term

Trustee

Floyd G. Bowman

01-01-03 to 12-31-10

Chairman of the
Township Board

Terry L. Brock

01-01-06 to 12-31-08



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF SPENCER TOWNSHIP, JENNINGS COUNTY, INDIANA

We have examined the financial information presented herein of Spencer Township, for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

March 6, 2008

SPENCER TOWNSHIP, JENNINGS COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 22,008	\$ 4,051	\$ 8,786	\$ 17,273
Dog	364	186	550	-
Township Assistance	28,563	4,875	6,533	26,905
Firefighting	32,591	6,719	11,500	27,810
Fire Equipment	10,509	25,353	16,554	19,308
Totals	<u>\$ 94,035</u>	<u>\$ 41,184</u>	<u>\$ 43,923</u>	<u>\$ 91,296</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 17,273	\$ 14,561	\$ 9,494	\$ 22,340
Township Assistance	26,905	4,543	6,317	25,131
Firefighting	27,810	7,669	12,000	23,479
Fire Equipment	19,308	14,528	16,531	17,305
Totals	<u>\$ 91,296</u>	<u>\$ 41,301</u>	<u>\$ 44,342</u>	<u>\$ 88,255</u>

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

SPENCER TOWNSHIP, JENNINGS 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.

SPENCER TOWNSHIP, JENNINGS COUNTY
EXAMINATION RESULTS AND COMMENTS

PRESCRIBED FORMS

The Township did not use Form 17 (Resolution Recommending Salaries of Officials and Employees) to document approval of salaries for Township Officials and employees.

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)

CAPITAL ASSET RECORDS

Information presented for examination did not indicate an inventory or record of capital assets was maintained. A similar comment was included 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)

DEPOSIT OF PUBLIC FUNDS

We noted four instances where the Trustee had made deposits of tax distributions over a month after the date of receipt of the funds. A similar comment was included in the prior report.

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 . . ."

ANNUAL REPORT

Amounts on the Township Trustee's (Abstract) Report of Receipts and Disbursements for the Calendar Year (Form 15) for the years 2006 and 2007 did not agree with the Township's Financial and Appropriation Record.

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)

SPENCER TOWNSHIP, JENNINGS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 6, 2008, with Floyd G. Bowman, Trustee.
The official concurred with our findings.