

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

EXAMINATION REPORT

OF

VERNON TOWNSHIP

HANCOCK COUNTY, INDIANA

January 1, 2006 to December 31, 2007



FILED

08/27/2008

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:	
Appropriations.....	6
Capital Asset Records	6
List of Employees Not Filed With County Treasurer	6
Overdrawn Cash Balances.....	6
Official Bond	6
Exit Conference.....	7

OFFICIALS

Office

Official

Term

Trustee

Rhonda M. Brown

01-01-03 to 12-31-10

Chairman of the
Township Board

Gary Sharrett

01-01-06 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF VERNON TOWNSHIP, HANCOCK COUNTY, INDIANA

We have examined the financial information presented herein of Vernon Township (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

July 17, 2008

VERNON TOWNSHIP, HANCOCK 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:				
General	\$ 172,165	\$ 76,325	\$ 51,557	\$ 196,933
Dog	409	296	109	596
Township Assistance	72,780	45,251	19,468	98,563
Firefighting	319,599	232,827	146,077	406,349
Park and Recreation	312,135	77,728	137,084	252,779
EMS	29,790	121,083	175,038	(24,165)
Rainy Day	31,395	-	-	31,395
Levy Excess	2,547	182	2,547	182
Cumulative Fire	192,316	35,176	34	227,458
Totals	<u>\$ 1,133,136</u>	<u>\$ 588,868</u>	<u>\$ 531,914</u>	<u>\$ 1,190,090</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 196,933	\$ 87,263	\$ 61,120	\$ 223,076
Dog	596	-	-	596
Township Assistance	98,563	47,274	21,667	124,170
Firefighting	406,349	160,589	332,920	234,018
Park and Recreation	252,779	82,082	24,366	310,495
EMS	(24,165)	185,313	156,174	4,974
Rainy Day	31,395	13,517	42,993	1,919
Levy Excess	182	-	182	-
Cumulative Fire	227,458	40,150	-	267,608
Totals	<u>\$ 1,190,090</u>	<u>\$ 616,188</u>	<u>\$ 639,422</u>	<u>\$ 1,166,856</u>

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

VERNON TOWNSHIP, HANCOCK 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).

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.

Note 6. Subsequent Event

On January 1, 2008, responsibility for the Fortville Volunteer Fire Department was transferred from the Town of Fortville to Vernon Township.

VERNON TOWNSHIP, HANCOCK COUNTY
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for examination indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Recreation	2006	<u>\$ 7,084</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."

CAPITAL ASSET RECORDS

An inventory list was presented for examination; however, the list did not contain the valuation of the asset for all items listed. Additionally, the list was not presented on Form 369, Capital Asset Ledger.

Every governmental unit should have a complete inventory of all capital assets owned which reflects 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)

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 for 2006 or 2007.

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 from the political subdivision to the treasurer of each county in which the political subdivision is located."

OVERDRAWN CASH BALANCES

The Emergency Medical Services (EMS) Fund was overdrawn in 2006.

The balance of any cash fund may not be reduced below zero. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OFFICIAL BOND

The following official bonds were not filed in the Office of the County Recorder:

Rhonda M. Brown, Trustee - for the years of 2006 and 2007

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 . . ."

VERNON TOWNSHIP, HANCOCK COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 17, 2008, with Rhonda M. Brown, Trustee. The official concurred with our findings.