

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

EXAMINATION REPORT
OF
FERDINAND TOWNSHIP
DUBOIS COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
12/17/2008

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OFFICIALS

Office

Official

Term

Trustee

David M. Kemper

01-01-06 to 12-31-10

Chairman of the
Township Board

Albert T. Dilger

01-01-06 to 12-31-08



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AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE FERDINAND TOWNSHIP, DUBOIS COUNTY, INDIANA

We have examined the financial information presented herein of the Ferdinand 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

October 30, 2008

FERDINAND TOWNSHIP, DUBOIS 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 | \$ 4,076 | \$ 12,998 | \$ 14,412 | \$ 2,662 |
| Dog | 342 | 98 | 440 | - |
| Township Assistance | 2,551 | 2,104 | 2,303 | 2,352 |
| Firefighting | 23,290 | 33,076 | 45,500 | 10,866 |
| Park and Recreation | 1,214 | 21,800 | 23,000 | 14 |
| Rainy Day | 1,692 | - | 475 | 1,217 |
| Totals | <u>\$ 33,165</u> | <u>\$ 70,076</u> | <u>\$ 86,130</u> | <u>\$ 17,111</u> |

| | Cash and Investments 01-01-07 | Receipts | Disbursements | Cash and Investments 12-31-07 |
|---------------------|-------------------------------------|------------------|------------------|-------------------------------------|
| Governmental Funds: | | | | |
| Township | \$ 2,662 | \$ 14,698 | \$ 14,910 | \$ 2,450 |
| Township Assistance | 2,352 | 4,638 | 2,436 | 4,554 |
| Firefighting | 10,866 | 34,447 | 25,500 | 19,813 |
| Park and Recreation | 14 | 23,185 | 23,198 | 1 |
| Cemetery | 1,217 | 2,883 | 4,100 | - |
| Totals | <u>\$ 17,111</u> | <u>\$ 79,851</u> | <u>\$ 70,144</u> | <u>\$ 26,818</u> |

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

FERDINAND TOWNSHIP, DUBOIS 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, general administrative, and culture and recreation.

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.

FERDINAND TOWNSHIP, DUBOIS 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>Amount</u> |
|---------------------|-------------|---------------|
| Firefighting | 2006 | \$ 18,725 |
| Park and Recreation | 2006 | 850 |
| | 2007 | 3,838 |
| Rainy Day | 2006 | 475 |
| | 2007 | 4,100 |

A similar comment appeared in the prior report.

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."

Rainy Day Fund monies were not appropriated for the 2006 or 2007 calendar years.

Indiana Code 36-1-8-5.1(c) states: "The Rainy Day Fund is subject to the same appropriation process as other funds that receive tax money."

REPAYMENTS AND TRANSFERS

The Township transferred \$475 and \$4,100 during 2006 and 2007, respectively, from the Rainy Day Fund to the Park and Recreation Fund without authorization by statute, ordinance, resolution or court order.

Payments or transfers which are not authorized by statute, ordinance, resolution, or court order must be reimbursed or transferred to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CONTRACT

Records presented for examination indicate payments totaling \$45,000 were made to the Town of Ferdinand for fire protection services. The fire protection contract with the Town of Ferdinand was in the amount of \$25,000. The Township Board minutes stated that a payment of \$20,000 was to be used as a down payment toward the purchase of a pumper fire truck in 2006 which the Town of Ferdinand would own.

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)

FERDINAND TOWNSHIP, DUBOIS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 30, 2008, with David M. Kemper, Trustee.
The official concurred with our findings.