

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

EXAMINATION REPORT
OF
DELAWARE TOWNSHIP
RIPLEY COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
01/20/2009

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OFFICIALS

Office

Official

Term

Trustee

Paul A. Hardy

01-01-03 to 12-31-10

Chairman of the
Township Board

James M. Grigsby

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 DELAWARE TOWNSHIP, RIPLEY COUNTY, INDIANA

We have examined the financial information presented herein of Delaware 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 present 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

November 24, 2008

DELAWARE TOWNSHIP, RIPLEY 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	\$ 68,914	\$ 26,978	\$ 29,563	\$ 66,329
Dog	427	186	477	136
Township Assistance	14,126	5,867	3,236	16,757
Levy Excess	665	-	-	665
Totals	<u>\$ 84,132</u>	<u>\$ 33,031</u>	<u>\$ 33,276</u>	<u>\$ 83,887</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 66,329	\$ 21,183	\$ 26,936	\$ 60,576
Dog	136	-	-	136
Township Assistance	16,757	4,566	5,401	15,922
Levy Excess	665	-	-	665
Totals	<u>\$ 83,887</u>	<u>\$ 25,749</u>	<u>\$ 32,337</u>	<u>\$ 77,299</u>

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

DELAWARE TOWNSHIP, RIPLEY 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.

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.

DELAWARE TOWNSHIP, RIPLEY COUNTY
EXAMINATION RESULTS AND COMMENTS

OVERDRAWN APPROPRIATIONS

General Fund expenditures exceeded the approved appropriations in the year 2006 by \$1,602. Township Assistance expenditures exceeded the approved appropriations in the year 2007 by \$1,901.

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."

A similar comment was reported in prior Report B29035.

SALARY APPROVALS

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

A similar comment was reported in prior Report B29035.

BANK ACCOUNT RECONCILIATIONS

Record balances were not reconciled to depository balances.

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

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)

A similar comment was reported in prior Report B29035.

CONDITION OF RECORDS

We identified the following errors relating to the Annual Report and Financial Appropriation Record:

DELAWARE TOWNSHIP, RIPLEY COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

1. The January 1, 2006, beginning cash balance reported on the Township Trustee's (Abstract) Report of Receipts and Disbursements for the Calendar Year (Annual Report) for the year 2006 did not agree with ending cash balance reported on Form 15 for the year 2005.
2. Amounts reported on the Annual Report for the years 2006 and 2007 did not agree with the amounts recorded in the Township's Financial and Appropriation Record (Form 1C) because payroll withholding accounts were omitted on the annual reports.
3. A transfer of monies from the Dog Fund to the General Fund in the amount of \$136.04 was not recorded as a receipt until 2008 in the Financial and Appropriation Record.
4. Levy excess tax in the amount of \$665 was reported in the Fire Debt Fund on Form 15. However, this was recorded in the Levy Excess Fund on the Financial and Appropriation Record (Form 1C).
5. Formal reconciliations between the Financial and Appropriation Record cash balances to depository balances were not performed.

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)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

A similar comment was reported in prior Report B29035.

NO OFFICIAL BOND RECORDED

No official bond was on file in the office of the County Recorder for Paul A. Hardy, Trustee.

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 . . ."

A similar comment was reported in prior Report B29035.

DELAWARE TOWNSHIP, RIPLEY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 24, 2008, with Paul A. Hardy, Trustee.