

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

EXAMINATION REPORT

OF

SMITH TOWNSHIP

WHITLEY COUNTY, INDIANA

January 1, 2006 to December 31, 2007



FILED

01/21/2009

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Donald A. Amber	01-01-03 to 12-31-10
Chairman of the Township Board	Joyce DeHaven	01-01-06 to 12-31-06
	Robert L. Egoff	01-01-07 to 12-31-07
	Carole A. Jacquay	01-01-08 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF SMITH TOWNSHIP, WHITLEY COUNTY, INDIANA

We have examined the financial information presented herein of Smith 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.

The Schedule of Capital Assets, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

December 11, 2008

SMITH TOWNSHIP, WHITLEY 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	\$ 39,585	\$ 40,834	\$ 49,549	\$ 30,870
Dog	522	402	924	-
Township Assistance	22,112	13,536	13,445	22,203
Firefighting	59,558	100,895	111,904	48,549
Park and Recreation	17,194	16,098	25,194	8,098
Rainy Day	-	19,800	-	19,800
Levy Excess	-	6,167	5,493	674
Cumulative Fire	169,462	68,069	78,204	159,327
Totals	<u>\$ 308,433</u>	<u>\$ 265,801</u>	<u>\$ 284,713</u>	<u>\$ 289,521</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 30,870	\$ 47,728	\$ 57,232	\$ 21,366
Township Assistance	22,203	862	9,361	13,704
Firefighting	48,549	94,486	107,617	35,418
Park and Recreation	8,098	22,274	9,366	21,006
Rainy Day	19,800	-	-	19,800
Levy Excess	674	-	-	674
Cumulative Fire	159,327	57,831	-	217,158
Totals	<u>\$ 289,521</u>	<u>\$ 223,181</u>	<u>\$ 183,576</u>	<u>\$ 329,126</u>

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

SMITH TOWNSHIP, WHITLEY 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). 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.

SMITH TOWNSHIP, WHITLEY COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2007

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 76,500
Buildings	2,748
Machinery and equipment	<u>654,616</u>
 Total governmental activities, capital assets not being depreciated	 \$ <u><u>733,864</u></u>

SMITH TOWNSHIP, WHITLEY COUNTY
EXAMINATION RESULTS AND COMMENTS

PERSONAL EXPENSES

The Trustee and/or his spouse on a number of out of state trips (FL, GA, IA, MN, NE, NY, SD), incurred roaming charges associated with cellular phones provided by the Township. The amount of unreimbursed roaming charges was \$191. Additionally, there were reimbursements to the Trustee for postage that were personal in nature. The reimbursements totaled \$42. The Trustee was requested to reimburse the Township \$233. (See Summary, page 9)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

EXCESSIVE OR UNREASONABLE COSTS

The Trustee made the following purchases during the years 2006 and 2007:

Desktop computer in 2006	\$ 2,000
Updated Laptop CPU in 2006	794
Database license fee	1,500
Computer software and support for 2006-2007	1,600
Computer software and support for 2007-2008	1,600
Lane sofa (fire department)	1,000
Office furniture (fire department)	2,477
Two 4GB USB 2.0 flash drives	120
Wireless keyboard and mouse	65
Upgrade in cellular phone service (October 2006)	131
Upgrade in cellular phone service (April 2006)	127
Headset (for office phone)	46
"The Stick" automatic call processor	139

Every effort should be made by the governmental unit to avoid unreasonable or excessive costs. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

FUND SOURCES AND USES

The Township established a Cumulative Fire Fund in accordance with Indiana Code 36-8-14. Land was purchased from the Cumulative Fire Fund in September 2006 for park and recreation purposes at a cost of \$76,434.

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PRESCRIBED FORM

Register of Investments (Form 350) was not in use.

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)

SMITH TOWNSHIP, WHITLEY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 11, 2008, with Donald A. Amber, Trustee.

SMITH TOWNSHIP, WHITLEY COUNTY
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Donald A. Amber, Trustee:			
Personal Expenses, page 7	\$ 233	\$ -	\$ -
Reimbursed December 11, 2008	<u>-</u>	<u>233</u>	<u>-</u>
 Totals	 <u>\$ 233</u>	 <u>\$ 233</u>	 <u>\$ -</u>