

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

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



FILED

01/26/2009

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OFFICIALS

Office

Official

Term

Trustee

Virginia Marner

01-01-03 to 12-31-10

Chairman of the
Township Board

Michael Lantz

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 HOWARD TOWNSHIP, HOWARD COUNTY, INDIANA

We have examined the financial information presented herein of Howard 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

HOWARD TOWNSHIP, HOWARD 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	\$ 26,434	\$ 26,106	\$ 22,422	\$ 30,118
Dog	341	100	441	-
Township Assistance	14,128	20,832	21,233	13,727
Firefighting	63,389	25,751	23,013	66,127
Levy Excess	270	622	270	622
Totals	<u>\$ 104,562</u>	<u>\$ 73,411</u>	<u>\$ 67,379</u>	<u>\$ 110,594</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 30,118	\$ 20,820	\$ 23,342	\$ 27,596
Township Assistance	13,727	26,272	18,133	21,866
Firefighting	66,127	30,774	23,363	73,538
Levy Excess	622	-	622	-
Totals	<u>\$ 110,594</u>	<u>\$ 77,866</u>	<u>\$ 65,460</u>	<u>\$ 123,000</u>

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

HOWARD TOWNSHIP, HOWARD 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.

HOWARD TOWNSHIP, HOWARD COUNTY
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the individual fund balances to the bank account balances were incorrect. The Trustee was reconciling the bank to the fund ledger control total, but the detailed fund balances exceeded the control by \$808.69.

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."

RENT OVERPAYMENT

Overpayments of \$500 and \$4,163, related to office rent, for the years 2007 and 2008 were made to Virginia Marner, Trustee. She personally repaid the \$500 and \$4,163 overpayments to the Township on October 30, 2008, and December 19, 2008, respectively.

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

SUPPORTING DOCUMENTATION

Several payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records. Due to the lack of supporting information, the validity and accountability for some money disbursed could not be established.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

HOWARD TOWNSHIP, HOWARD COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

APPROPRIATIONS

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

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Township Assistance	2006	<u>\$ 2,783</u>

A similar comment was also contained 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."

ANNUAL REPORT

The annual report for 2007 was not filed with the Indiana State Board of Accounts.

Indiana Code 5-11-1-4(a) concerning annual reports states in part: ". . . these reports shall be prepared, verified and filed with the state examiner within (30) days after the close of the fiscal year."

TOWNSHIP ASSISTANCE

Disbursements were made to several residents of Howard Township without having a properly completed application for township assistance on file.

An application for township assistance is to be completed by each person who applies for township assistance. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 6)

HOWARD TOWNSHIP, HOWARD COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 30, 2008, with Virginia Marner, Trustee. The official concurred with our findings.

HOWARD TOWNSHIP, HOWARD COUNTY
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Virginia Marnar, Trustee:			
Rent Overpayment, page 6	\$ 4,663	\$	\$
Repaid on October 30, 2008		500	
Repaid on December 19, 2008		4,163	-
	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 4,663</u>	<u>\$ 4,663</u>	<u>\$ -</u>