

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

EXAMINATION REPORT

OF

MARION TOWNSHIP

PUTNAM COUNTY, INDIANA

January 1, 2006 to December 31, 2007



FILED

02/02/2009

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:	
Compensation and Benefits	6
Appropriations.....	6
Bank Account Reconciliations	6
Contracts	7
Disbursement Documentation	7
Payroll Deductions.....	7
Prescribed Forms	7
Certified Report Not Filed.....	8
Official Bond Coverage.....	8
Exit Conference.....	9
Summary.....	10

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Greg L. Arnold	01-01-03 to 12-31-10
Chairman of the Township Board	James Williamson Deloss Greenlee Douglas Phillips	01-01-06 to 12-31-06 01-01-07 to 12-31-07 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 MARION TOWNSHIP, PUTNAM COUNTY, INDIANA

We have examined the financial information presented herein of Marion 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

December 1, 2008

MARION TOWNSHIP, PUTNAM 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	\$ 68,283	\$ 17,793	\$ 13,141	\$ 72,935
Dog	652	264	352	564
Township Assistance	22,205	3,869	3,069	23,005
Firefighting	47,251	19,475	19,000	47,726
Rainy Day	1,400	-	-	1,400
Totals	<u>\$ 139,791</u>	<u>\$ 41,401</u>	<u>\$ 35,562</u>	<u>\$ 145,630</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 72,935	\$ 16,603	\$ 13,264	\$ 76,274
Dog	564	-	260	304
Township Assistance	23,005	3,864	2,948	23,921
Firefighting	47,726	20,594	13,500	54,820
Rainy Day	1,400	-	-	1,400
Totals	<u>\$ 145,630</u>	<u>\$ 41,061</u>	<u>\$ 29,972</u>	<u>\$ 156,719</u>

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

MARION TOWNSHIP, PUTNAM 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. 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.

MARION TOWNSHIP, PUTNAM COUNTY
EXAMINATION RESULTS AND COMMENTS

COMPENSATION AND BENEFITS

The Trustee received \$1,000 and \$800 in payments for the years 2006 and 2007, respectively, for mowing of Township cemeteries.

Greg L. Arnold, Trustee, reimbursed \$1,800 to Marion Township. (See Summary, page 10)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 17)

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>
Firefighting	2006	<u>\$ 5,750</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."

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were incorrect.

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)

MARION TOWNSHIP, PUTNAM COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

CONTRACTS

Records presented for examination indicate payments were made to mowing contractors for \$1,070 and \$900 in 2006 and 2007, respectively, without a contract.

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)

DISBURSEMENT DOCUMENTATION

Several payments were observed which did not contain adequate supporting documentation such as receipts, and invoices.

Due to the lack of supporting information, the validity and accountability for some monies 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)

PAYROLL DEDUCTIONS

Payments to the Township Board were made without payroll deductions for taxes.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

MARION TOWNSHIP, PUTNAM COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

PRESCRIBED FORMS

The following prescribed form was not in use:

Township Assistance Form TA-2

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)

CERTIFIED REPORT NOT FILED

The Township did not file a certified report of compensation of officers and employees (Form 100-R or its equivalent) with the State Board of Accounts.

Indiana Code 5-11-13-1 states in part: "Every state, county, city, town, township, or school official . . . shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts."

OFFICIAL BOND COVERAGE

The position of Township Trustee had official bond coverage for the years 2006 and 2007 from Ohio Farmers Insurance Company in the amount of \$15,000 each year.

MARION TOWNSHIP, PUTNAM COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 1, 2008, with Greg L. Arnold, Trustee; and Sharla Arnold, Deputy Trustee.

MARION TOWNSHIP, PUTNAM COUNTY
SUMMARY

	Charges	Credits	Balance Due
Greg L. Arnold, Trustee:			
Compensation and Benefits, page 6	\$ 1,800	\$	\$
Reimbursement by Greg L. Arnold, January 10, 2009, Check No. 1972		1,800	-
 Totals	\$ 1,800	\$ 1,800	\$ -