

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

EXAMINATION REPORT
OF
WORTH TOWNSHIP
BOONE COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED

04/07/2010

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OFFICIALS

Office

Official

Term

Trustee

Robert Guest

01-01-07 to 12-31-10

Chairman of the
Township Board

Ken McCormack

01-01-08 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF WORTH TOWNSHIP, BOONE COUNTY, INDIANA

We have examined the financial information presented herein of Worth Township (Township), for the period of January 1, 2008 to December 31, 2009. 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, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

February 11, 2010

WORTH TOWNSHIP, BOONE COUNTY
 SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
 ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
 As Of And For The Years Ended December 31, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 15,194	\$ 55,715	\$ 40,967	\$ 29,942
Dog	398	-	-	398
Township Assistance	2,620	7	4,982	(2,355)
Firefighting	59,381	874,100	943,091	(9,610)
Levy Excess	2,102	-	-	2,102
Fire Debt	11,599	50,536	42,563	19,572
Fire Equipment	9,522	49,967	39,230	20,259
Emergency Loan	-	397,827	302,919	94,908
Fiduciary Fund:				
Payroll Withholdings	(1,272)	88,774	90,452	(2,950)
Totals	<u>\$ 99,544</u>	<u>\$ 1,516,926</u>	<u>\$ 1,464,204</u>	<u>\$ 152,266</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 29,942	\$ 27,203	\$ 66,852	\$ (9,707)
Dog	398	-	398	-
Township Assistance	(2,355)	16,108	5,125	8,628
Firefighting	(9,610)	1,394,547	1,355,627	29,310
Levy Excess	2,102	-	-	2,102
Fire Debt	19,572	46,495	91,937	(25,870)
Fire Equipment	20,259	46,919	43,937	23,241
Emergency Loan	94,908	403,273	468,647	29,534
Fiduciary Fund:				
Payroll Withholdings	(2,950)	99,872	104,322	(7,400)
Totals	<u>\$ 152,266</u>	<u>\$ 2,034,417</u>	<u>\$ 2,136,845</u>	<u>\$ 49,838</u>

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

WORTH TOWNSHIP, BOONE 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.

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.

Note 6. Subsequent Event

The Township received a Tax Anticipation Warrant in the amount of \$270,000 for Extension of Services in 2010.

WORTH TOWNSHIP, BOONE COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
December 31, 2009

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:	
Buildings	\$ 782,000
Machinery and equipment	<u>965,000</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 1,747,000</u>

WORTH TOWNSHIP, BOONE COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Notes and loans payable		
Fire Equipment Loans	\$ 13,098	\$ 13,349
Other DLGF Authorized Debt.	769,546	784,624
Bonds payable:		
General obligation bonds:		
Building	<u>311,858</u>	<u>37,943</u>
Total governmental activities debt	<u>\$ 1,094,502</u>	<u>\$ 835,916</u>

WORTH TOWNSHIP, BOONE COUNTY
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not in balance. The differences resulted in a cash long of \$435 and \$1,053.76, for 2008 and 2009, respectively.

IC 5-13-6-1(e) states: "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)

OLD OUTSTANDING CHECKS (WARRANTS)

Our review of the bank reconciliations as of December 31, 2008, and December 31, 2009, revealed checks outstanding in excess of two years.

IC 5-11-10.5-2 states in part: "All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void."

IC 5-11-10.5-3 states in part:

"Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the:

- (1) board of finance of a political subdivision; or
- (2) fiscal body of a city or town.

The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

IC 5-11-10.5-5 states in part:

"(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks.

WORTH TOWNSHIP, BOONE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

(b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision."

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>
Fire Debt Service	2009	\$ 53,051
Emergency Fire Loan	2009	65,374
Fire Equipment	2009	1,374

IC 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."

OVERDRAWN CASH BALANCES

The following funds had the following overdrawn cash balances at December 31, 2008 and 2009:

<u>Fund</u>	<u>Years</u>	<u>Overdrawn</u>
Poor Relief Fund	2008	\$ 2,355
Fire Fighting Fund	2008	9,610
Payroll Withholding Fund	2008	2,950
Township Fund	2009	9,707
Fire Debt Service Fund	2009	25,870
Payroll Withholding Fund	2009	7,400

The fund balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

WORTH TOWNSHIP, BOONE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 23, 2010, with Robert Guest, Trustee.