

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

EXAMINATION REPORT
OF
SPRINGFIELD TOWNSHIP
LAGRANGE COUNTY, INDIANA
January 1, 2007 to December 31, 2009



FILED

04/23/2010

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:	
Condition of Records	6
Overdrawn Fund Balance.....	7
Contract	7
Exit Conference.....	8

OFFICIALS

Office

Official

Term

Trustee

Debra A. Notestine

01-01-07 to 12-31-10

Chairman of the
Township Board

Theodore Gunthrop

01-01-07 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF SPRINGFIELD TOWNSHIP, LAGRANGE COUNTY, INDIANA

We have examined the financial information presented herein of Springfield Township (Township), for the period of January 1, 2007 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, 2007, 2008, and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

March 31, 2010

SPRINGFIELD TOWNSHIP, LAGRANGE COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2007, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 17,652	\$ 15,815	\$ 18,811	\$ 14,656
Dog	50	10	60	-
Township Assistance	13,167	1,447	1,138	13,476
Firefighting	6,209	8,763	14,580	392
Cemetery	17,824	390	-	18,214
	<u>54,902</u>	<u>26,425</u>	<u>34,589</u>	<u>46,738</u>
Totals	<u>\$ 54,902</u>	<u>\$ 26,425</u>	<u>\$ 34,589</u>	<u>\$ 46,738</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 14,656	\$ 12,523	\$ 18,519	\$ 8,660
Township Assistance	13,476	1,094	1,000	13,570
Firefighting	392	9,629	14,000	(3,979)
Cemetery	18,214	1,305	-	19,519
Rainy Day	-	801	-	801
	<u>46,738</u>	<u>25,352</u>	<u>33,519</u>	<u>38,571</u>
Totals	<u>\$ 46,738</u>	<u>\$ 25,352</u>	<u>\$ 33,519</u>	<u>\$ 38,571</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 8,660	\$ 21,440	\$ 19,561	\$ 10,539
Township Assistance	13,570	820	900	13,490
Firefighting	(3,979)	18,627	14,000	648
Cemetery	19,519	173	-	19,692
Rainy Day	801	144	-	945
	<u>38,571</u>	<u>41,204</u>	<u>34,461</u>	<u>45,314</u>
Totals	<u>\$ 38,571</u>	<u>\$ 41,204</u>	<u>\$ 34,461</u>	<u>\$ 45,314</u>

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

SPRINGFIELD TOWNSHIP, LAGRANGE 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.

SPRINGFIELD TOWNSHIP, LAGRANGE COUNTY
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were noted. A similar comment was in prior Report B30024.

1. Record balances for the Mongo Cemetery Fund were not reconciled to depository balances.

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)

2. There were a considerable number of posting errors. These errors included correct balances not carried forward and interest not posted.
3. The sum of the individual fund balances in the ledger does not agree with the Total All Funds balance in the ledger. The transactions and balances for two funds are not recorded properly in the ledger.

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)

4. Annual reports filed do not agree with the ledger.

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)

SPRINGFIELD TOWNSHIP, LAGRANGE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

OVERDRAWN FUND BALANCE

The Firefighting Fund was overdrawn at December 31, 2008, by \$3,979.

The 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)

CONTRACT

The cemetery contract with one individual does not state a dollar amount to be paid each year for one of three cemeteries. A similar comment was in prior Report B30024.

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)

SPRINGFIELD TOWNSHIP, LAGRANGE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 31, 2010, with Debra A. Notestine, Trustee.
The official concurred with our findings.