

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

EXAMINATION REPORT
OF
LUCE TOWNSHIP
SPENCER COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
04/27/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	James Rapp	01-01-07 to 12-31-10
Chairman of the Township Board	Larry Blair	01-01-08 to 12-31-08
	Charles McMican	01-01-09 to 12-31-09
	Larry Blair	01-01-10 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF LUCE TOWNSHIP, SPENCER COUNTY, INDIANA

We have examined the financial information presented herein of Luce 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 Long-Term Debt, 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

March 30, 2010

LUCE TOWNSHIP, SPENCER 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	\$ 113,968	\$ 93,168	\$ 144,940	\$ 62,196
Dog	1,575	-	-	1,575
Township Assistance	7,920	5,862	4,329	9,453
Firefighting	103,996	245,229	158,735	190,490
Park and Recreation	3,595	19,086	11,397	11,284
Levy Excess	5,047	-	-	5,047
Fire Debt	1,388	45,895	22,785	24,498
Fire Equipment Debt	2,911	-	2,911	-
Fire Building Debt	9,046	-	9,046	-
Fiduciary Fund:				
Payroll Withholdings	(84)	3,969	3,902	(17)
Totals	<u>\$ 249,362</u>	<u>\$ 413,209</u>	<u>\$ 358,045</u>	<u>\$ 304,526</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 62,196	\$ 155,225	\$ 71,180	\$ 146,241
Dog	1,575	-	-	1,575
Township Assistance	9,453	6,136	7,186	8,403
Firefighting	190,490	159,881	221,201	129,170
Park and Recreation	11,284	26,212	22,185	15,311
Levy Excess	5,047	-	-	5,047
Fire Debt	24,498	24,280	21,774	27,004
Rainy Day	-	2,061	-	2,061
Fiduciary Fund:				
Payroll Withholdings	(17)	4,304	4,356	(69)
Totals	<u>\$ 304,526</u>	<u>\$ 378,099</u>	<u>\$ 347,882</u>	<u>\$ 334,743</u>

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

LUCE TOWNSHIP, SPENCER 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.

LUCE TOWNSHIP, SPENCER 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	\$ 77,597	\$ 21,774
Total governmental activities debt	<u>\$ 77,597</u>	<u>\$ 21,774</u>

LUCE TOWNSHIP, SPENCER COUNTY
EXAMINATION RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES

The Payroll Withholdings Fund was overdrawn in 2008 and 2009. A similar comment was in the prior report.

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)

ACCURATE ANNUAL REPORT

An annual report for 2008 was filed but was not accurate.

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)

OLD OUTSTANDING CHECKS

Our review of the bank reconciliements as of 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 the political subdivision; or (2) the 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:

"(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. (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."

LUCE TOWNSHIP, SPENCER COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 30, 2010, with James Rapp, Trustee; and Angie Beier, Clerk. The officials concurred with our findings.