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

EXAMINATION REPORT  
OF  
TROY TOWNSHIP  
PERRY 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	Patricia P. Reed	01-01-07 to 12-31-10
Chairman of the Township Board	Marshall Terry Tom Hagedorn	01-01-08 to 12-31-08 01-01-09 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF TROY TOWNSHIP, PERRY COUNTY, INDIANA

We have examined the financial information presented herein of Troy 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.

STATE BOARD OF ACCOUNTS

March 24, 2010

TROY TOWNSHIP, PERRY 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	\$ 148,568	\$ 59,668	\$ 25,021	\$ 183,215
Township Assistance	97,742	10,045	49,313	58,474
Firefighting	27,800	34,055	33,057	28,798
Levy Excess	1,577	-	-	1,577
Rainy Day	-	566	-	566
Fiduciary Fund:				
Payroll Withholdings	540	1,836	1,896	480
Totals	<u>\$ 276,227</u>	<u>\$ 106,170</u>	<u>\$ 109,287</u>	<u>\$ 273,110</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 183,215	\$ 37,451	\$ 24,372	\$ 196,294
Township Assistance	58,474	49,823	39,124	69,173
Firefighting	28,798	32,524	29,318	32,004
Levy Excess	1,577	-	-	1,577
Rainy Day	566	-	-	566
Fiduciary Fund:				
Payroll Withholdings	480	2,150	1,859	771
Totals	<u>\$ 273,110</u>	<u>\$ 121,948</u>	<u>\$ 94,673</u>	<u>\$ 300,385</u>

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

TROY TOWNSHIP, PERRY 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.

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.

TROY TOWNSHIP, PERRY COUNTY  
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORT

Annual reports for 2008 and 2009 were filed but were 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)

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not presented for audit.

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)

TOWNSHIP ASSISTANCE PRESCRIBED FORMS

The Application for Township Assistance (Form TA-1) was not used in the prescribed manner. A new TA-1 was not completed on several occasions for a year or more after the original assistance was given even though additional assistance was given periodically throughout the interim. A similar comment was included in the prior report.

An Application for Township Assistance is to be completed by each person who applies for township assistance. The trustee has the power to administer oaths. Any person expressing a desire for assistance shall be permitted to apply, whether or not the trustee believes the person to be eligible. Each completed form must be filed in the trustee's office, whether or not relief is granted on the application. The trustee shall not extend aid to persons or families unless an affidavit setting forth the personal condition of the family has been filed within one hundred eighty (180) days prior to the date of the extension of aid. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 6)

Application for Additional or Continuing Township Assistance (Form TA-18) should be completed for additional or continuing township assistance.

The township trustee may not extend additional or continuing aid to an individual or a household unless the individual or household files an affidavit with the request for assistance affirming how, if at all, the personal condition of the individual or the household has changed from that set forth in the individual's or household's most recent application. IC 12-20-6-5 (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 6)

TROY TOWNSHIP, PERRY COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on March 24, 2010, with Patricia P. Reed, Trustee. The official concurred with our findings.