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

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



FILED
04/28/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Randall K. Weisheit	01-01-07 to 12-31-10
Chairman of the Township Board	Fred Roeder Mark Kieffner Susan Weisman	01-01-08 to 12-31-08 01-01-09 to 12-31-09 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 BOONE TOWNSHIP, DUBOIS COUNTY, INDIANA

We have examined the financial information presented herein of Boone 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

April 7, 2010

BOONE TOWNSHIP, DUBOIS 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	\$ 6,783	\$ 13,909	\$ 12,082	\$ 8,610
Township Assistance	8,280	-	813	7,467
Firefighting	19,244	17,298	16,100	20,442
Rainy Day	1,895	876	-	2,771
Fiduciary Funds:				
Payroll Withholdings	344	-	344	-
Totals	<u>\$ 36,546</u>	<u>\$ 32,083</u>	<u>\$ 29,339</u>	<u>\$ 39,290</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 8,610	\$ 10,242	\$ 12,705	\$ 6,147
Township Assistance	7,467	2,167	352	9,282
Firefighting	20,442	18,038	16,100	22,380
Rainy Day	2,771	755	-	3,526
Totals	<u>\$ 39,290</u>	<u>\$ 31,202</u>	<u>\$ 29,157</u>	<u>\$ 41,335</u>

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

BOONE TOWNSHIP, DUBOIS 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.

BOONE TOWNSHIP, DUBOIS COUNTY
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The official bond for the Trustee was for the term January 1, 2006 to December 31, 2010, in the amount of \$15,000, was not payable to the State of Indiana and was not filed in the office of the County Recorder.

A similar comment appeared in prior reports.

Until July 1, 2009, IC 5-4-1-18 stated in part:

"(c) The fiscal bodies of the respective units shall fix the amount of the bond of . . . township trustees . . . as follows:

- (1) The amount must equal fifteen thousand dollars (\$15,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount may not be less than fifteen thousand dollars (\$15,000) nor more than three hundred thousand dollars (\$300,000) . . ."

Effective July 1, 2009, IC 5-4-1-18 states in part:

"(c) Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of . . . township trustees . . . as follows:

- (1) The amount of annual coverage must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount of annual coverage may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount of annual coverage for the officer or employee. . . ."

IC 5-4-1-10 states in part: "All official bonds shall be payable to the state of Indiana . . ."

IC 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder . . ."

PAYROLL WITHHOLDINGS

The Trustee and the Clerk were paid in 2008 and 2009 but no Social Security and Medicare tax was withheld. The Township paid both the employer's and the employee's shares of Social Security and Medicare. The Internal Revenue Service Form W-2s issued for both the Trustee and the Clerk were filed and indicated Social Security and Medicare tax withheld. The employee's share amounted to \$302.94 and \$312.12 for the Trustee for 2008 and 2009, respectively, and \$59.67 and \$68.85 for the Clerk for 2008 and 2009, respectively. The Trustee and the Clerk were requested to repay the Township \$615.06 and \$128.52, respectively. On April 5, 2010, the Township was reimbursed \$743.58 from the Trustee and the Clerk.

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

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)

OVERPAYMENT COLLECTIONS

The Clerk was overpaid \$60 in 2009 according to the salary included in the approved budget. The overpayment has not been repaid as of April 7, 2010.

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)

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were noted:

- (1) There were numerous posting errors on the Annual Report. These errors included: all CVET money was shown as a Township Fund receipt instead of a receipt in each fund receiving CVET money, investment transactions were not reported, not all transactions were included and/or reported correctly, and balances per the Report did not agree with the balances in the records.
- (2) The special COIT distribution in the Financial and Appropriation Record was not receipted into the Rainy Day Fund, but was erroneously receipted into the Township Fund.
- (3) The investment balances were not included in the balances on the Financial and Appropriation Record.
- (4) The appropriation side of the Financial and Appropriation Record was not completed.

A similar comment appeared in prior reports.

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)

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

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 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)

SUPPORTING DOCUMENTATION

Several payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records. Due to the lack of supporting information, the validity and accountability for some money disbursed could not be established.

A similar comment appeared in prior reports.

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)

BOONE TOWNSHIP, DUBOIS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 7, 2010, with Randall K. Weisheit, Trustee. The official concurred with our findings.