

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

EXAMINATION REPORT
OF
ETNA TOWNSHIP
KOSCIUSKO COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
04/29/2010

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 |
| Supplementary Information: | |
| Schedule of Capital Assets..... | 6 |
| Examination Results and Comments: | |
| Advance Payments..... | 7 |
| Compensation and Benefits | 7 |
| Exit Conference..... | 8 |

OFFICIALS

Office

Official

Term

Trustee

Gary Sponseller

01-01-07 to 12-31-10

Chairman of the
Township Board

Tony Tribalski

01-01-08 to 12-31-10



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF ETNA TOWNSHIP, KOSCIUSKO COUNTY, INDIANA

We have examined the financial information presented herein of Etna 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, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. The schedule has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on the schedule.

STATE BOARD OF ACCOUNTS

April 8, 2010

ETNA TOWNSHIP, KOSCIUSKO 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 | \$ 15,511 | \$ 16,272 | \$ 23,930 | \$ 7,853 |
| Township Assistance | 88 | 6,956 | 7,287 | (243) |
| Fire Fighting | 53,876 | 3,685 | 19,347 | 38,214 |
| Cumulative Fire | 39,032 | 6,501 | - | 45,533 |
| Dog | 10 | 800 | 810 | - |
| Park and Recreation | 1,386 | 343 | 750 | 979 |
| Levy Excess | 205 | - | 205 | - |
| Rainy Day | - | 1,499 | - | 1,499 |
| Emergency Medical Service | 15,199 | 15,965 | 18,627 | 12,537 |
| Fiduciary Fund: | | | | |
| Nonmotor Vehicle License | - | 2,042 | 2,042 | - |
| Totals | <u>\$ 125,307</u> | <u>\$ 54,063</u> | <u>\$ 72,998</u> | <u>\$ 106,372</u> |

| | Cash and Investments 01-01-09 | Receipts | Disbursements | Cash and Investments 12-31-09 |
|---------------------------|-------------------------------------|-------------------|------------------|-------------------------------------|
| Governmental Funds: | | | | |
| Township | \$ 7,853 | \$ 41,050 | \$ 27,073 | \$ 21,830 |
| Township Assistance | (243) | 12,782 | 9,152 | 3,387 |
| Fire Fighting | 38,214 | 8,708 | 20,807 | 26,115 |
| Cumulative Fire | 45,533 | 12,821 | - | 58,354 |
| Park and Recreation | 979 | 2,009 | 750 | 2,238 |
| Rainy Day | 1,499 | 293 | 1,499 | 293 |
| Emergency Medical Service | 12,537 | 24,092 | 13,402 | 23,227 |
| Totals | <u>\$ 106,372</u> | <u>\$ 101,755</u> | <u>\$ 72,683</u> | <u>\$ 135,444</u> |

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

ETNA TOWNSHIP, KOSCIUSKO 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.

ETNA TOWNSHIP, KOSCIUSKO COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 As of 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: | |
| Land | \$ 61,800 |
| Buildings | 2,700 |
| Machinery and equipment | 1,375 |
| Transportation Equipment | <u>285,000</u> |
| Total governmental activities, capital assets not being depreciated | <u>\$ 350,875</u> |

ETNA TOWNSHIP, KOSCIUSKO COUNTY
EXAMINATION RESULTS AND COMMENTS

ADVANCE PAYMENTS

The Trustee's salary and Township Clerk's salary for 2009 were paid prior to the receipt of services. The Trustee was paid quarterly on January 31, April 3, June 18, and September 9. The Township Clerk was paid semiannually on February 23 and July 3. Part of the Trustee's salary and Township Clerk's salary for 2010 were paid prior to the receipt of services. The Trustee was paid for the first, second, and third quarters of 2010 on January 5, February 1, and March 1, 2010, respectively. The Township Clerk was paid on January 5, 2010, for the first half of 2010.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

COMPENSATION AND BENEFITS

An employee received \$1,000 in payments each year, for the years 2008 and 2009, which was not included in the payroll system or on the salary resolution.

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)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

ETNA TOWNSHIP, KOSCIUSKO COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 8, 2010, with Gary Sponseller, Trustee. The official concurred with our findings.