

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

EXAMINATION REPORT
OF
JENNINGS TOWNSHIP
OWEN COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
05/11/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Roy W. Tarter, Sr. Donald Meek John Bradley Thurston	01-01-07 to 01-31-09 02-01-09 to 02-28-09 03-01-09 to 12-31-10
Chairman of the Township Board	Donald Meek	01-01-08 to 12-31-10



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF JENNINGS TOWNSHIP, OWEN COUNTY, INDIANA

We have examined the financial information presented herein of Jennings 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 12, 2010

JENNINGS TOWNSHIP, OWEN COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL 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	\$ 8,130	\$ 10,072	\$ 9,572	\$ 8,630
Township Assistance	5,178	1,971	2,142	5,007
Firefighting	6,907	5,172	6,600	5,479
Rainy Day	1,225	460	-	1,685
Levy Excess	145	-	145	-
	<u>21,585</u>	<u>17,675</u>	<u>18,459</u>	<u>20,801</u>
Totals	<u>\$ 21,585</u>	<u>\$ 17,675</u>	<u>\$ 18,459</u>	<u>\$ 20,801</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 8,630	\$ 12,733	\$ 8,524	\$ 12,839
Township Assistance	5,007	1,481	2,148	4,340
Firefighting	5,479	4,121	7,000	2,600
Rainy Day	1,685	471	-	2,156
	<u>20,801</u>	<u>18,806</u>	<u>17,672</u>	<u>21,935</u>
Totals	<u>\$ 20,801</u>	<u>\$ 18,806</u>	<u>\$ 17,672</u>	<u>\$ 21,935</u>

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

JENNINGS TOWNSHIP, OWEN 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 (Indiana Code 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 (Indiana Code 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.

JENNINGS TOWNSHIP, OWEN COUNTY
EXAMINATION RESULTS AND COMMENTS

BOARD MINUTES

Not all minutes of meetings of the governing body were available for examination. Minutes for 2008 were not recorded and only a portion for 2009.

IC 5-14-1.5-4(b) states:

"As the meeting progresses, the following memoranda shall be kept: (1) The date, time, and place of the meeting. (2) The members of the governing body recorded as either present or absent. (3) The general substance of all matters proposed, discussed, or decided. (4) A record of all votes taken, by individual members if there is a roll call. (5) Any additional information required under IC 5-1.5-2-2.5."

OFFICIAL BOND

The official bond for interim Township Trustee, Donald Meek, was not recorded in the Office of the County Recorder. The official bond for the current Township Trustee was recorded in the Office of the County Recorder in the amount of \$15,000 without a rider added from July 1, 2009 to December 31, 2009. Additionally, the bond for 2010 was still in the amount of \$15,000.

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."

The State Board of Accounts is of the audit position in order to comply with the changes made in Public Law 176 effective July 1, 2009, governments will have to purchase riders on their current bond coverage for the remainder of the calendar year; and beginning January 1, 2010, will have to provide annual bond coverage. We are also of the audit position a new bond should be obtained for each year and continuation certificates or renewals should not be used in lieu of obtaining a new bond. (The Township Bulletin and Uniform Compliance Guidelines, Volume 286)

JENNINGS TOWNSHIP, OWEN COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

BANK ACCOUNT RECONCILIATIONS

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

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."

ANNUAL REPORT

The 2009 Annual Report was not filled out completely. The beginning balances were omitted and the receipts and disbursement were not reflective of the actual activity.

IC 36-6-4-12 states:

"(a) At the annual meeting of the township legislative body under IC 36-6-6-9 the executive shall present a complete report of all receipts and expenditures of the preceding calendar year, including the balance to the credit of each fund controlled by the executive." IC 36-4-13 states: "Sec. 13. (a) When the executive prepares the annual report required by section 12 of this chapter, the executive shall also prepare, on forms prescribed by the state board of accounts, an abstract of receipts and expenditures: (1) showing the sum of money in each fund of the township at the beginning of the year; (2) showing the sum of money received in each fund of the township during the year; (3) showing the sum of money paid from each fund of the township during the year; (4) showing the sum of money remaining in each fund of the township at the end of the year."

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)

CONTRACTS

Records presented for examination indicate payments were made for cemetery care in 2008 and 2009 without a contract.

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)

JENNINGS TOWNSHIP, OWEN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 12, 2010, with John Bradley Thurston, Trustee. The official concurred with our findings.