

B36955

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

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



FILED
05/14/2010

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 |
| Examination Results and Comments: | |
| Bank Account Reconciliations | 6 |
| No Board Meetings | 6 |
| Annual Reports Not Filed | 7 |
| Errors on Annual Reports | 7 |
| Exit Conference..... | 8 |

OFFICIALS

Office

Official

Term

Trustee

Floyd G. Bowman

01-01-07 to 12-31-10

Chairman of the
Township Board

Terry L. Brock

01-01-08 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Spencer 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 13, 2010

SPENCER TOWNSHIP, JENNINGS 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

| | <u>Cash and Investments 01-01-08</u> | <u>Receipts</u> | <u>Disbursements</u> | <u>Cash and Investments 12-31-08</u> |
|------------------------|--|------------------|----------------------|--|
| Governmental Funds: | | | | |
| Township | \$ 22,340 | \$ 16,217 | \$ 8,944 | \$ 29,613 |
| Township Assistance | 25,131 | 3,549 | 6,450 | 22,230 |
| Firefighting | 23,479 | 7,387 | 12,000 | 18,866 |
| Firefighting Equipment | <u>17,305</u> | <u>14,345</u> | <u>17,000</u> | <u>14,650</u> |
| Totals | <u>\$ 88,255</u> | <u>\$ 41,498</u> | <u>\$ 44,394</u> | <u>\$ 85,359</u> |
| | | | | |
| | <u>Cash and Investments 01-01-09</u> | <u>Receipts</u> | <u>Disbursements</u> | <u>Cash and Investments 12-31-09</u> |
| Governmental Funds: | | | | |
| Township | \$ 29,613 | \$ 14,461 | \$ 8,737 | \$ 35,337 |
| Township Assistance | 22,230 | 2,268 | 5,859 | 18,639 |
| Firefighting | 18,866 | 4,738 | 12,000 | 11,604 |
| Firefighting Equipment | <u>14,650</u> | <u>6,984</u> | <u>16,981</u> | <u>4,653</u> |
| Totals | <u>\$ 85,359</u> | <u>\$ 28,451</u> | <u>\$ 43,577</u> | <u>\$ 70,233</u> |

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

SPENCER TOWNSHIP, JENNINGS 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.

SPENCER TOWNSHIP, JENNINGS COUNTY
EXAMINATION RESULTS AND COMMENTS

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."

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)

NO BOARD MEETINGS

The Township Board did not meet in 2009 and has not met in 2010.

IC 36-6-6-7 Sec. 7(a) states: "The legislative body shall meet at the office of the executive on the first Tuesday after the first Monday in January of each year. At this meeting the legislative body shall elect one (1) member as chairman for the year and one (1) member as secretary for that year."

Some of the most important duties are:

To advise with the township trustee concerning matters pertaining to the civil township.

To examine and approve, in whole or in part, the annual report of the township trustee on or before the third Tuesday after the first Monday in January of each year. IC 36-6-6-9.

To keep a record of all business transacted at all meetings.

To make appropriations and establish tax rates and levies for the ensuing year (no later than September 30) with notice given by the trustee. IC 6-1.1-17-5.

To make additional or emergency appropriations as the need or emergency arises.

(Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 5)

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

ANNUAL REPORT NOT FILED

The Township Trustees Annual Report (Form 15) was completed and filed with the County Auditor for 2008 and 2009; however, the reports were not filed with the Indiana State Board of Accounts.

IC 5-11-1-4 states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be filed electronically, in a manner prescribed by the state examiner that is compatible with the technology employed by the political subdivision."

ERRORS ON ANNUAL REPORTS

The Township Annual Report (Form 15) was incorrect in both 2008 and 2009. The sections in Part 1 for beginning and ending cash balances included investments. When investments were added to the cash balances, the total cash and investments reported were overstated in the amount of \$4,543 and \$4,547 for 2008 and 2009, respectively.

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)

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)

SPENCER TOWNSHIP, JENNINGS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 13, 2010 with Floyd Bowman, Trustee.