

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
GRANT TOWNSHIP
DEKALB COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
09/25/2006

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OFFICIALS

Office

Official

Term

Trustee

Mary D. Dangler

01-01-03 to 12-31-06

Chairman of the
Township Board

Dow Baker

01-01-04 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF GRANT TOWNSHIP, DEKALB COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Grant Township (Township), for the period of January 1, 2004 to December 31, 2005. The Township's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 29, 2006

GRANT TOWNSHIP, DEKALB 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, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 50,090	\$ 36,492	\$ 36,758	\$ 49,824
Dog	736	524	417	843
Township Assistance	15,041	2,614	19,086	(1,431)
Firefighting	43,930	37,881	27,820	53,991
Recreation	3,190	3,889	-	7,079
Rainy Day	3,500	1,332	-	4,832
Fire Equipment Debt	(2,666)	24,684	35,802	(13,784)
Cumulative Fire	10,902	56,150	9,955	57,097
Fiduciary Fund:				
Payroll Withholdings	941	1,218	1,159	1,000
Totals	<u>\$ 125,664</u>	<u>\$ 164,784</u>	<u>\$ 130,997</u>	<u>\$ 159,451</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 49,824	\$ 51,590	\$ 41,603	\$ 59,811
Dog	843	470	543	770
Township Assistance	(1,431)	18,879	23,136	(5,688)
Firefighting	53,991	38,330	39,471	52,850
Recreation	7,079	2,490	-	9,569
Rainy Day	4,832	-	-	4,832
Fire Equipment Debt	(13,784)	82,511	44,135	24,592
Cumulative Fire	57,097	20,231	-	77,328
Fiduciary Fund:				
Payroll Withholdings	1,000	1,096	-	2,096
Totals	<u>\$ 159,451</u>	<u>\$ 215,597</u>	<u>\$ 148,888</u>	<u>\$ 226,160</u>

The accompanying notes are an integral part of the schedules.

GRANT TOWNSHIP, DEKALB COUNTY
NOTES TO SCHEDULES

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.

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.

Note 6. Long-Term Debt

The Township has entered into various debts such as a loan for a fire truck and a capital lease for a tanker fire truck. The outstanding principal at December 31, 2005, was \$34,373 and \$111,544 respectively.

GRANT TOWNSHIP, DEKALB COUNTY
EXAMINATION RESULTS AND COMMENTS

ADVANCE PAYMENTS

The 2004 and 2005 office rent was paid to Dangler Construction in January of each year. Also, the Trustee's and Clerk's salaries for 2004 and 2005 were paid before the end of the month for which services were performed.

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. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PAYROLL DEDUCTIONS

The Trustee did not withhold state and local taxes from her salary. Not all of the state and local taxes withheld from the Township Clerk's salary were paid to the Indiana Department of Revenue.

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 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)

CONTRACTS

Records presented for examination indicate payment was made to the DeKalb County Council on Aging in 2004 and 2005, without contracts presented for examination.

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)

OVERDRAWN FUND BALANCES

The Township Assistance Fund was overdrawn in 2004 and 2005. The Fire Debt Fund was overdrawn in 2004.

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

GRANT TOWNSHIP, DEKALB COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 29, 2006, with Mary D. Dangler, Trustee. The official concurred with our findings.