

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

EXAMINATION REPORT
OF
SALEM TOWNSHIP
DELAWARE COUNTY, INDIANA
January 1, 2003 to December 31, 2005



FILED
10/20/2006

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report	3
Schedules of Receipts, Disbursements, and Cash and Investment Balances.....	4
Notes to Schedules	5
Examination Results and Comments:	
Official Bond	6
Condition of Records	6
Exit Conference.....	7

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Tommy Crawford	01-01-03 to 12-31-06
Chairman of the Township Board	Mary Hurley Marlene Lambert	01-01-03 to 12-31-03 01-01-04 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF SALEM TOWNSHIP, DELAWARE COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Salem Township (Township), for the period of January 1, 2003 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, 2003, 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

September 18, 2006

SALEM TOWNSHIP, DELAWARE COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 68,707	\$ 47,015	\$ 35,723	\$ 79,999
Dog	756	432	456	732
Township Assistance	6,569	13,701	12,215	8,055
Firefighting	96,827	62,649	48,410	111,066
Insurance Reimbursement	-	19,568	9,607	9,961
Fire Donation	1,466	350	-	1,816
Cumulative Fire	55,288	16,369	-	71,657
Totals	<u>\$ 229,613</u>	<u>\$ 160,084</u>	<u>\$ 106,411</u>	<u>\$ 283,286</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 79,999	\$ 48,966	\$ 37,705	\$ 91,260
Dog	732	511	432	811
Township Assistance	8,055	13,385	11,257	10,183
Firefighting	111,066	64,250	59,005	116,311
Insurance Reimbursement	9,961	-	9,961	-
Fire Donation	1,816	-	170	1,646
Rainy Day	-	2,116	-	2,116
Cumulative Fire	71,657	16,618	-	88,275
Totals	<u>\$ 283,286</u>	<u>\$ 145,846</u>	<u>\$ 118,530</u>	<u>\$ 310,602</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 91,260	\$ 46,061	\$ 37,104	\$ 100,217
Dog	811	372	511	672
Township Assistance	10,183	17,468	12,084	15,567
Firefighting	116,311	66,621	51,756	131,176
Fire Donation	1,646	-	240	1,406
Rainy Day	2,116	-	999	1,117
Levy Excess	-	2,377	-	2,377
Cumulative Fire	88,275	16,480	26,694	78,061
Fire/EMS/Rescue EDIT	-	25,000	13,948	11,052
Federal Grant	-	28,813	-	28,813
Totals	<u>\$ 310,602</u>	<u>\$ 203,192</u>	<u>\$ 143,336</u>	<u>\$ 370,458</u>

The accompanying notes are an integral part of the schedules.

SALEM TOWNSHIP, DELAWARE 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. 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.

SALEM TOWNSHIP, DELAWARE COUNTY
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The following official bonds were not filed in the office of the County Recorder for the years 2003, 2004, and 2005:

Tommy Crawford, Trustee

Indiana Code 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 . . ."

CONDITION OF RECORDS

Transactions per the ledger and the annual report were incorrect for the Firefighting fund for years 2003 and 2005 resulting in incorrect ending balances. Receipt information was omitted from the annual report for 2005.

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)

SALEM TOWNSHIP, DELAWARE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 18, 2006, with Tommy Crawford, Trustee.
The official concurred with our findings.