

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

EXAMINATION REPORT

OF

MARSHALL TOWNSHIP

LAWRENCE COUNTY, INDIANA

January 1, 2005 to December 31, 2006



FILED

12/21/2007

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OFFICIALS

Office

Official

Term

Trustee

Susan Evans

01-01-03 to 12-31-10

Chairman of the
Township Board

Larry Tincher
Dennis Maddox
Ed Franklin

01-01-05 to 12-31-05
01-01-06 to 12-31-06
01-01-07 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF MARSHALL TOWNSHIP, LAWRENCE COUNTY, INDIANA

We have examined the financial information presented herein of Marshall Township (Township), for the period of January 1, 2005 to December 31, 2006. 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, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not a required part of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

August 30, 2007

MARSHALL TOWNSHIP, LAWRENCE COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Township	\$ 63,578	\$ 44,118	\$ 29,766	\$ 77,930
Dog	276	304	41	539
Firefighting	9,248	41,342	20,000	30,590
Cumulative Fire	34,328	48,657	17,553	65,432
Township Assistance	25,613	16,283	4,690	37,206
Levy Excess	393	-	-	393
Totals	<u>\$ 133,436</u>	<u>\$ 150,704</u>	<u>\$ 72,050</u>	<u>\$ 212,090</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 77,930	\$ 22,365	\$ 27,970	\$ 72,325
Dog	539	346	271	614
Firefighting	30,590	36,919	25,000	42,509
Cumulative Fire	65,432	25,586	17,553	73,465
Township Assistance	37,206	8,316	7,716	37,806
Levy Excess	393	-	-	393
Totals	<u>\$ 212,090</u>	<u>\$ 93,532</u>	<u>\$ 78,510</u>	<u>\$ 227,112</u>

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

MARSHALL TOWNSHIP, LAWRENCE 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. 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.

MARSHALL TOWNSHIP
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

December 31, 2006

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>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 12,000
Machinery and equipment	<u>207,511</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 219,511</u>

MARSHALL TOWNSHIP
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT

December 31, 2006

Description of Debt	Ending Balance	Due Within One Year
Governmental Activities:		
Capital lease:		
2003 Pierce International Fire Truck	\$ <u>16,942</u>	\$ <u>16,942</u>

MARSHALL TOWNSHIP, LAWRENCE COUNTY
EXAMINATION RESULTS AND COMMENTS

APPROPRIATION

The records presented for examination indicated the following expenditure in excess of budgeted appropriation:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Township Fund	2005	<u>\$ 1,946</u>

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

DISBURSEMENT DOCUMENTATION

Some payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records.

A similar comment appeared in the prior report.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

MILEAGE REIMBURSEMENT

The Clerk was reimbursed for mileage driven for township assistance purposes. Mileage Claim, General Form 101, was not completed properly and could not be recalculated to equal the check written to the Clerk.

A similar comment appeared in the prior report.

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)

MARSHALL TOWNSHIP, LAWRENCE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

CEMETERY CARE CONTRACTS

The contracts supporting the payments for cemetery care of Meadows Cemetery, Fish Cemetery, and Smallwood/Pickle Cemetery in 2005 and Judah Cemetery and Smallwood/Pickle Cemetery in 2006 were not presented for examination.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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)

PAYROLL DEDUCTIONS

Compensation paid to the Clerk, Township Assistance Investigator, and Township Board members in 2005 and 2006 were made without payroll deductions for Social Security and Medicare taxes.

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)

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)

MARSHALL TOWNSHIP, LAWRENCE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 30, 2007, with Susan Evans, Trustee. The official concurred with our findings.