

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

EXAMINATION REPORT
OF
VAN BUREN TOWNSHIP
MONROE COUNTY, INDIANA
January 1, 2005 to December 31, 2006



FILED
12/31/2007

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OFFICIALS

Office

Official

Term

Trustee

Gary Bruce

01-01-03 to 12-31-10

Chairman of the
Township Board

Rex Bruce

01-01-05 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF VAN BUREN TOWNSHIP, MONROE COUNTY, INDIANA

We have examined the financial information presented herein of Van Buren 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 Supplementary Information, as listed in the Table of Contents, was presented for additional analysis and is not a required part of the basic financial information. The Supplementary Information has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on the Supplementary Information.

STATE BOARD OF ACCOUNTS

November 27, 2007

VAN BUREN TOWNSHIP, MONROE 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, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Township	\$ 84,219	\$ 97,349	\$ 156,858	\$ 24,710
Dog	234	124	310	48
Township Assistance	55,782	58,593	92,854	21,521
Firefighting	105,888	522,859	652,284	(23,537)
Park and Recreation	4,634	1,056	4,780	910
Emergency Medical	65,151	149,015	172,036	42,130
Rainy Day	11,890	-	-	11,890
Fire Equipment Debt	112,246	117,406	319,208	(89,556)
Fire Equipment	37,895	19,590	53,864	3,621
Cumulative Fire	119,392	48,268	126,709	40,951
Levy Excess	-	661	-	661
Fiduciary Fund:				
Payroll Withholdings	4,577	159,491	168,829	(4,761)
Totals	<u>\$ 601,908</u>	<u>\$ 1,174,412</u>	<u>\$ 1,747,732</u>	<u>\$ 28,588</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 24,710	\$ 282,454	\$ 159,005	\$ 148,159
Dog	48	6,106	6,154	-
Township Assistance	21,521	163,018	105,439	79,100
Firefighting	(23,537)	990,433	696,679	270,217
Park and Recreation	910	4,354	3,171	2,093
Emergency Medical	42,130	260,762	188,494	114,398
Rainy Day	11,890	-	-	11,890
Fire Equipment Debt	(89,556)	456,143	360,198	6,389
Fire Equipment	3,621	35,100	35,842	2,879
Cumulative Fire	40,951	132,659	84,233	89,377
Levy Excess	661	-	-	661
Fiduciary Fund:				
Payroll Withholdings	(4,761)	158,343	166,363	(12,781)
Totals	<u>\$ 28,588</u>	<u>\$ 2,489,372</u>	<u>\$ 1,805,578</u>	<u>\$ 712,382</u>

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

VAN BUREN TOWNSHIP, MONROE 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

Normally, 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 may 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.

VAN BUREN TOWNSHIP, MONROE COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Township contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Township authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Note 7. Subsequent Event

During the year 2007, the Township purchased land for \$33,000. The Township has also expended \$17,852 for construction of a new Township office.

VAN BUREN TOWNSHIP, MONROE COUNTY
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	\$ 60,000
Buildings	1,005,000
Machinery and equipment	<u>1,605,501</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 2,670,501</u>

VAN BUREN TOWNSHIP, MONROE COUNTY
EXAMINATION RESULTS AND COMMENTS

PERSONAL EXPENSES

The Township disbursed \$1,314.78 during the examination period for Christmas gifts, retirement gifts, and luncheons that appeared to be personal expenditures.

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

SALARY RESOLUTIONS

Township Form 17, Resolution Establishing Salaries of Township Officers and Employees, lists the rate of pay for all Township employees. The Township Assistance Investigator was underpaid \$883.20 during 2005. The Township Administrative Assistant and the Township Assistance Investigator were both underpaid in the amounts of \$634.80 and \$356.64, respectively, during 2006.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were noted:

- (1) The disbursements for the employer's portion of Public Employees Retirement Fund expense was posted to the payroll deduction account and the employee's portion was posted to the Township Fund, which caused the payroll deduction account to be overdrawn by \$12,781 on December 31, 2006.
- (2) The payroll withholdings on one occasion were posted as a receipt to the payroll deductions subaccounts, but the disbursements were posted to the payroll deductions control account, which caused the control account to be overdrawn and the subaccounts appeared to have a balance of \$3,797.96.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

VAN BUREN TOWNSHIP, MONROE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 27, 2007, with Gary Bruce, Trustee.