

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

EXAMINATION REPORT  
OF  
BEAVER TOWNSHIP  
NEWTON COUNTY, INDIANA  
January 1, 2006 to December 31, 2007



**FILED**  
05/12/2008



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Shirley A. Deardruff	01-01-03 to 12-31-10
Chairman of the Township Board	Daniel Baird	01-01-06 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF BEAVER TOWNSHIP, NEWTON COUNTY, INDIANA

We have examined the financial information presented herein of Beaver Township (Township), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

February 14, 2008

BEAVER TOWNSHIP, NEWTON COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 54,881	\$ 121,588	\$ 123,718	\$ 52,751
Dog	445	205	145	505
Township Assistance	12,411	3,309	6,705	9,015
Firefighting	73,571	100,094	95,317	78,348
Donation Miscellaneous	5,684	39,257	31,658	13,283
Donation Good Neighbor Fee	52,480	81,414	108,652	25,242
Rental	2,589	1,325	545	3,369
Township Miscellaneous	54,042	197	5,000	49,239
Rainy Day	10,586	-	-	10,586
Cumulative Fire	11,382	6,219	6,974	10,627
Fire Claim Fund	-	675	-	675
Levy Excess	-	1,338	-	1,338
Totals	<u>\$ 278,071</u>	<u>\$ 355,621</u>	<u>\$ 378,714</u>	<u>\$ 254,978</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 52,751	\$ 121,914	\$ 125,723	\$ 48,942
Dog	505	-	505	-
Township Assistance	9,015	6,736	3,312	12,439
Firefighting	78,348	105,013	100,645	82,716
Donation Miscellaneous	13,283	544	1,487	12,340
Donation Good Neighbor Fee	25,242	100,438	68,033	57,647
Rental	3,369	2,293	2,022	3,640
Township Miscellaneous	49,239	188	47,879	1,548
Rainy Day	10,586	16,151	-	26,737
Cumulative Fire	10,627	6,427	-	17,054
Fire Claim Fund	675	348	-	1,023
Levy Excess	1,338	-	-	1,338
Totals	<u>\$ 254,978</u>	<u>\$ 360,052</u>	<u>\$ 349,606</u>	<u>\$ 265,424</u>

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

BEAVER TOWNSHIP, NEWTON 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

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.

BEAVER TOWNSHIP, NEWTON COUNTY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

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. 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.

BEAVER TOWNSHIP, NEWTON COUNTY  
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

Information presented for examination did not indicate an inventory or record of capital assets using Form 369.

Every governmental unit should have a complete inventory or record of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were incorrect. The bank reconciliation shows a cash long of \$4,009.68 at December 31, 2007.

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance<sup>3</sup> of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respectively 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)

BEAVER TOWNSHIP, NEWTON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on February 14, 2008, with Shirley A. Deardruff, Trustee. The official concurred with our findings.