

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

EXAMINATION REPORT

OF

PERRY TOWNSHIP

CLINTON COUNTY, INDIANA

January 1, 2006 to December 31, 2007



FILED

12/29/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Constance J. Blacker	01-01-03 to 12-31-10
Chairman of the Township Board	Gerry Somers Carl Chezem Phil Ramsey	01-01-06 to 06-30-08 07-01-08 to 08-17-08 08-18-08 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF PERRY TOWNSHIP, CLINTON COUNTY, INDIANA

We have examined the financial information presented herein of Perry 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.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

November 26, 2008

PERRY TOWNSHIP, CLINTON 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	\$ 13,706	\$ 16,878	\$ 19,881	\$ 10,703
Dog	705	234	413	526
Township Assistance	10,564	11,664	7,625	14,603
Firefighting	7,305	52,196	36,540	22,961
Fire Debt	11,810	15,672	17,395	10,087
FEMA Grant	11	-	11	-
Rainy Day	2,285	-	-	2,285
Totals	<u>\$ 46,386</u>	<u>\$ 96,644</u>	<u>\$ 81,865</u>	<u>\$ 61,165</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 10,703	\$ 13,806	\$ 19,999	\$ 4,510
Dog	526	-	526	-
Township Assistance	14,603	3,168	8,614	9,157
Firefighting	22,961	38,970	45,147	16,784
Levy Excess	-	334	-	334
Fire Debt	10,087	283,097	17,465	275,719
Rainy Day	2,285	-	-	2,285
Totals	<u>\$ 61,165</u>	<u>\$ 339,375</u>	<u>\$ 91,751</u>	<u>\$ 308,789</u>

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

PERRY TOWNSHIP, CLINTON 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.

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. Subsequent Event

In December 2007, the Township acquired financing for two fire trucks. The proceeds of the bank loan, \$273,000, were received in 2007 although the purchase of the fire trucks was not made until 2008.

PERRY TOWNSHIP, CLINTON COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

The township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Loans Payable:		
Fire Station Debt	\$ 96,162	\$ 17,395
Fire Truck Debt	<u>273,000</u>	<u>12,844</u>
 Total governmental activities debt	 <u>\$ 369,162</u>	 <u>\$ 30,239</u>

PERRY TOWNSHIP, CLINTON COUNTY
EXAMINATION RESULTS AND COMMENTS

DEPOSIT OF PUBLIC FUNDS

County tax distributions made to Perry Township for County Adjusted Gross Income Tax, Property Tax Replacements Credit, Financial Institutions Tax, and County Vehicle Excise Tax in May of 2006 was not deposited in the bank until July 31, 2006.

A Financial Institutions Tax distribution of \$8, made on December 18, 2007, and a County Vehicle Excise Tax distribution of \$766, made on December 5, 2007, were posted to the ledger but were never deposited into the Township's bank account. The Clinton County Treasurer confirmed that these two checks remain outstanding on November 19, 2008.

Indiana Code 5-13-6-1(c) states in part:

"The public funds collected by township trustees shall be deposited in the designated depository on or before the first and fifteenth day of each month."

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

Wages reported on the Township's federal form 941, "Employer's Quarterly Federal Tax Return," were understated by \$100 for both 2006 and 2007.

Wages reported by the Township on federal form W-2, "Wage and Tax Statement," in 2006 for the Trustee and the Deputy Trustee were understated by \$400 and \$100, respectively.

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)

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)

CAPITAL ASSET RECORDS

Information presented for examination did not indicate an inventory or record of capital assets is being maintained by the township.

Every governmental unit should have a complete inventory 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)

PERRY TOWNSHIP, CLINTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 26, 2008, with Constance J. Blacker, Trustee. The official concurred with our findings.