

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

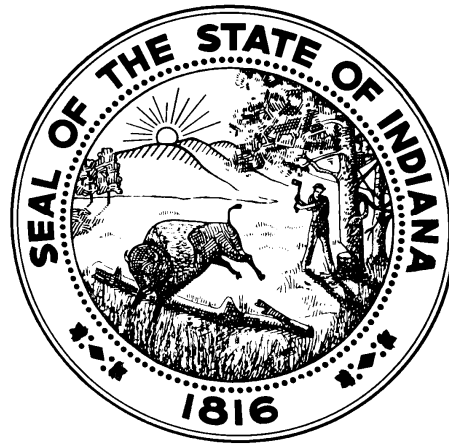
EXAMINATION REPORT

OF

LUCE TOWNSHIP

SPENCER COUNTY, INDIANA

January 1, 2006 to December 31, 2007



**FILED**

12/30/2008



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OFFICIALS

Office

Official

Term

Trustee

James Rapp

01-01-03 to 12-31-10

Chairman of the  
Township Board

Samuel Tuley  
Larry Blair

01-01-06 to 12-31-06  
01-01-07 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF LUCE TOWNSHIP, SPENCER COUNTY, INDIANA

We have examined the financial information presented herein of Luce 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

October 15, 2008

LUCE TOWNSHIP, SPENCER 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, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 56,997	\$ 84,661	\$ 63,472	\$ 78,186
Dog	1,275	1,130	830	1,575
Township Assistance	969	5,886	5,214	1,641
Firefighting	62,884	151,120	123,933	90,071
Park and Recreation	2,311	20,974	13,567	9,718
Levy Excess	5,047	-	-	5,047
Fire Debt	1,388	-	-	1,388
Fire Equipment Debt	8,361	31,520	33,145	6,736
Fire Building Debt	17,720	53,560	62,234	9,046
Fiduciary Fund:				
Payroll Withholdings	153	3,936	3,919	170
Totals	<u>\$ 157,105</u>	<u>\$ 352,787</u>	<u>\$ 306,314</u>	<u>\$ 203,578</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 78,186	\$ 114,286	\$ 78,504	\$ 113,968
Dog	1,575	-	-	1,575
Township Assistance	1,641	11,677	5,398	7,920
Firefighting	90,071	159,366	145,441	103,996
Park and Recreation	9,718	32,635	38,758	3,595
Levy Excess	5,047	-	-	5,047
Fire Debt	1,388	-	-	1,388
Fire Equipment Debt	6,736	29,424	33,249	2,911
Fire Building Debt	9,046	-	-	9,046
Fiduciary Fund:				
Payroll Withholdings	170	4,782	5,036	(84)
Totals	<u>\$ 203,578</u>	<u>\$ 352,170</u>	<u>\$ 306,386</u>	<u>\$ 249,362</u>

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

LUCE TOWNSHIP, SPENCER 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.

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.

LUCE TOWNSHIP  
 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:		
Capital lease:		
Fire Truck	\$ 87,435	\$ 31,792
Total governmental activities debt	<u>\$ 87,435</u>	<u>\$ 31,792</u>

LUCE TOWNSHIP, SPENCER COUNTY  
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

Information presented for examination did not indicate a record of capital assets.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded on the applicable Capital Assets 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)

OVERDRAWN FUND BALANCES

The Payroll Withholdings Fund was overdrawn in 2007.

The balance of any fund may not be reduced below zero. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

APPROPRIATIONS

The records presented for examination indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
Fire Building Debt	2006	\$ 19,857
Fire Equipment Debt	2007	103
Recreation	2007	3,967

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."

LUCE TOWNSHIP, SPENCER COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 16, 2008, with James Rapp, Trustee and Angie Beier, Clerk. The officials concurred with our findings.