

B36168

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

EXAMINATION REPORT  
OF  
LOGAN TOWNSHIP  
DEARBORN COUNTY, INDIANA  
January 1, 2008 to December 31, 2009



**FILED**  
04/15/2010



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OFFICIALS

Office

Official

Term

Trustee

Myrtle M. White

01-01-07 to 12-31-10

Chairman of the  
Township Board

Richard Baer

01-01-08 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF LOGAN TOWNSHIP, DEARBORN COUNTY, INDIANA

We have examined the financial information presented herein of Logan Township (Township), for the period of January 1, 2008 to December 31, 2009. 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, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

March 18, 2010

LOGAN TOWNSHIP, DEARBORN COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 17,669	\$ 11,982	\$ 9,892	\$ 19,759
Township Assistance	12,093	6,105	5,196	13,002
Firefighting	23,899	90,153	82,546	31,506
Rainy Day	4,627	1,784	-	6,411
Totals	<u>\$ 58,288</u>	<u>\$ 110,024</u>	<u>\$ 97,634</u>	<u>\$ 70,678</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 19,759	\$ 9,652	\$ 9,818	\$ 19,593
Township Assistance	13,002	3,785	5,894	10,893
Firefighting	31,506	69,865	87,311	14,060
Rainy Day	6,411	613	-	7,024
Totals	<u>\$ 70,678</u>	<u>\$ 83,915</u>	<u>\$ 103,023</u>	<u>\$ 51,570</u>

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

LOGAN TOWNSHIP, DEARBORN 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.

LOGAN TOWNSHIP, DEARBORN COUNTY  
EXAMINATION RESULTS AND COMMENTS

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

We found the following deficiencies regarding the processing of payroll and payment to individuals for services performed:

1. Internal Revenue Service Form W-2 used to report employee compensation was not presented for examination for all employees for the years 2008 and 2009.
2. No federal or state income taxes were withheld during the years 2008 and 2009 and no Internal Revenue Service Form W-4 (Employee's Withholding Allowance Certificate) was presented for examination.
3. Amounts paid to the Trustees as rent were not reported by the Trustee on Internal Revenue Service Form 1099-MISC.

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)

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)

A similar comment was reported in Report B34044.

PRESCRIBED FORM

The Board approves appropriations for salaries during the budget process. The Board does not separately approve salaries on Township Form 17, Resolution Recommending Salaries of Township Officers and Employees.

IC 36-6-6-10(b) states in part:

"The township legislative body shall fix the:

- (1) salaries;
- (2) wages;
- (3) rates of hourly pay; and
- (4) remuneration other than statutory allowances; of all officers and employees of the township."

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)

A similar comment was reported in Report B34044.

LOGAN TOWNSHIP, DEARBORN COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not performed which resulted in posting errors and mathematical errors going undetected.

IC 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective 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)

A similar comment was reported in Report B34044.

ANNUAL REPORT

An annual report for 2009 was not filed with the Indiana State Board of Accounts.

IC 5-11-1-4 states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be filed electronically, in a manner prescribed by the state examiner that is compatible with the technology employed by the political subdivision."

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)

LOGAN TOWNSHIP, DEARBORN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on March 18, 2010, with Myrtle M. White, Trustee. The official concurred with our findings.