

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

EXAMINATION REPORT
OF
SKELTON TOWNSHIP
WARRICK COUNTY, INDIANA
January 1, 2007 to December 31, 2009



FILED
04/16/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Timothy L. Seiler	01-01-07 to 12-31-10
Chairman of the Township Board	Cathy Oser Cindy Curtis	01-01-07 to 12-31-07 01-01-08 to 12-31-10



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF SKELTON TOWNSHIP, WARRICK COUNTY, INDIANA

We have examined the financial information presented herein of Skelton Township (Township), for the period of January 1, 2007 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, 2007, 2008, and 2009, 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

March 24, 2010

SKELTON TOWNSHIP, WARRICK 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, 2007, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 1,714	\$ 7,819	\$ 15,095	\$ (5,562)
Dog	144	-	144	-
Township Assistance	1,556	6,258	9,107	(1,293)
Firefighting	7,951	14,922	23,388	(515)
Levy Excess	-	1,023	-	1,023
Cumulative Fire	6,884	4,509	10,366	1,027
Tanker / Equipment	287	-	287	-
FEMA	9,579	-	-	9,579
Donations	341	-	341	-
Fiduciary Fund:				
Payroll Withholdings	361	1,029	1,051	339
Totals	<u>\$ 28,817</u>	<u>\$ 35,560</u>	<u>\$ 59,779</u>	<u>\$ 4,598</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ (5,562)	\$ 19,012	\$ 15,087	\$ (1,637)
Township Assistance	(1,293)	10,651	16,598	(7,240)
Firefighting	(515)	29,807	17,657	11,635
Levy Excess	1,023	-	1,023	-
Cumulative Fire	1,027	9,062	10,141	(52)
FEMA	9,579	-	-	9,579
Fiduciary Fund:				
Payroll Withholdings	339	1,173	1,612	(100)
Totals	<u>\$ 4,598</u>	<u>\$ 69,705</u>	<u>\$ 62,118</u>	<u>\$ 12,185</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ (1,637)	\$ 19,535	\$ 16,743	\$ 1,155
Township Assistance	(7,240)	15,181	14,982	(7,041)
Firefighting	11,635	31,195	32,841	9,989
Cumulative Fire	(52)	8,943	10,141	(1,250)
FEMA	9,579	-	-	9,579
Fiduciary Fund:				
Payroll Withholdings	(100)	1,421	1,628	(307)
Totals	<u>\$ 12,185</u>	<u>\$ 76,275</u>	<u>\$ 76,335</u>	<u>\$ 12,125</u>

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

SKELTON TOWNSHIP, WARRICK 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.

SKELTON TOWNSHIP
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Fire Department tank	\$ 37,143	\$ 10,141

SKELTON TOWNSHIP, WARRICK COUNTY
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

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

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
Cumulative Fire	2007	\$ 1,140
Township Assistance	2008	7,670
Firefighting	2009	2,096

IC 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."

ANNUAL REPORT

An annual report for 2008 and 2009 were filed but were not accurate.

The annual report shall be prepared, verified, and filed with the State Board of Accounts within 30 days after the close of each fiscal year. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

IC 5-11-1-4, effective July 1, 2009, 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."

OVERDRAWN FUND BALANCES

The Township Fund was overdrawn in 2007 and 2008. The Township Assistance Fund was overdrawn in 2007, 2008, and 2009. The Firefighting Fund was overdrawn in 2007. The Cumulative Fire Fund was overdrawn in 2008 and 2009. The Payroll Withholding Fund was overdrawn in 2008 and 2009.

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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)

SKELTON TOWNSHIP, WARRICK COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 24, 2009, with Tim Seiler, Trustee. The official concurred with our findings.