

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

EXAMINATION REPORT
OF
PATOKA TOWNSHIP
GIBSON COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
04/22/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Neil A. Moody	01-01-07 to 01-21-09
	Vacant	01-22-09 to 02-16-09
	Bradley Schmitt	02-17-09 to 12-31-10
Chairman of the Township Board	Richard Fitch	01-01-08 to 12-31-10



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF PATOKA TOWNSHIP, GIBSON COUNTY, INDIANA

We have examined the financial information presented herein of Patoka 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

April 1, 2010

PATOKA TOWNSHIP, GIBSON 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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 399,497	\$ 122,732	\$ 81,434	\$ 440,795
Dog	259	-	259	-
Township Assistance	206,525	103,170	60,324	249,371
Firefighting	775,093	1,085	-	776,178
Levy Excess	12,156	-	-	12,156
Fire Building Debt	2,479	-	2,479	-
Construction	3,256	-	3,256	-
Donation	1,750	2,800	529	4,021
Run Fund	29,943	27,592	52,635	4,900
Loan and Interest	3,654	-	3,654	-
Cumulative Fire	251,238	-	-	251,238
Fire Territory Fund	961,429	2,494,737	1,888,497	1,567,669
Fire Equipment	131,300	195,893	-	327,193
Fiduciary Fund:				
Payroll Withholdings	18,566	324,847	328,981	14,432
Totals	<u>\$ 2,797,145</u>	<u>\$ 3,272,856</u>	<u>\$ 2,422,048</u>	<u>\$ 3,647,953</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 440,795	\$ 1,758,903	\$ 1,710,419	\$ 489,279
Township Assistance	249,371	101,102	64,136	286,337
Firefighting	776,178	-	2,158	774,020
Levy Excess	12,156	-	-	12,156
Donation	4,021	3,300	2,019	5,302
Run Fund	4,900	3,772	-	8,672
Cumulative Fire	251,238	-	-	251,238
Fire Territory Fund	1,567,669	2,554,156	2,055,860	2,065,965
Fire Equipment	327,193	199,316	455,702	70,807
Fiduciary Fund:				
Payroll Withholdings	14,432	334,153	331,213	17,372
Totals	<u>\$ 3,647,953</u>	<u>\$ 4,954,702</u>	<u>\$ 4,621,507</u>	<u>\$ 3,981,148</u>

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

PATOKA TOWNSHIP, GIBSON 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.

PATOKA TOWNSHIP, GIBSON COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

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.

Note 7. Subsequent Event

The City of Princeton and the Princeton Fire Territory have passed an ordinance and a resolution, respectively, to change the provider for the Fire Territory from Patoka Township to the City of Princeton effective January 1, 2011.

PATOKA TOWNSHIP, GIBSON COUNTY
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were incorrect.

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)

DEPOSIT OF PUBLIC FUNDS

We noted instances where the Trustee was not making deposits timely.

IC 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."

PATOKA TOWNSHIP, GIBSON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 1, 2010, with Bradley Schmitt, Trustee. The official concurred with our findings.