

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

EXAMINATION REPORT
OF
BONO TOWNSHIP
LAWRENCE COUNTY, INDIANA
January 1, 2007 to December 31, 2009



FILED
04/22/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	George T. Wilcox	01-01-07 to 12-31-10
Chairman of the Township Board	Harry W. Smith	01-01-07 to 12-31-08
	William Magner	01-01-09 to 12-31-09
	Hugh Gresham	01-01-10 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF BONO TOWNSHIP, LAWRENCE COUNTY, INDIANA

We have examined the financial information presented herein of Bono 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.

STATE BOARD OF ACCOUNTS

March 30, 2010

BONO TOWNSHIP, LAWRENCE COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL 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	\$ 17,319	\$ 13,682	\$ 6,853	\$ 24,148
Dog	517	-	-	517
Firefighting	5,470	11,909	6,047	11,332
Township Assistance	6,476	4,903	-	11,379
Levy Excess	1,637	-	1,637	-
Totals	<u>\$ 31,419</u>	<u>\$ 30,494</u>	<u>\$ 14,537</u>	<u>\$ 47,376</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 24,148	\$ 9,123	\$ 4,439	\$ 28,832
Dog	517	-	517	-
Firefighting	11,332	4,710	3,422	12,620
Township Assistance	11,379	1,250	1,036	11,593
Totals	<u>\$ 47,376</u>	<u>\$ 15,083</u>	<u>\$ 9,414</u>	<u>\$ 53,045</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 28,832	\$ 11,972	\$ 10,996	\$ 29,808
Firefighting	12,620	8,244	6,047	14,817
Township Assistance	11,593	2,311	939	12,965
Totals	<u>\$ 53,045</u>	<u>\$ 22,527</u>	<u>\$ 17,982</u>	<u>\$ 57,590</u>

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

BONO TOWNSHIP, LAWRENCE 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.

BONO TOWNSHIP, LAWRENCE COUNTY
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS

Financial records presented for examination were incomplete and not reflective of the activity of the various Township funds. The records presented did not provide accurate postings to the various funds. The total all funds column was reconciled to the bank, but the posting to the individual funds does not agree with the total all funds. The ledger is posted as checks clear the bank, not when the checks are written. Checks were not written in numerical order.

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)

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)

ANNUAL FINANCIAL REPORT

Annual Financial Reports for 2008 and 2009 did not agree with the financial records.

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)

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)

BONO TOWNSHIP, LAWRENCE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

PAYROLL DEDUCTIONS

Payments to the Internal Revenue Service (IRS) were not paid timely and payments did not agree with the Form 944, Employer's Annual Federal Tax Return. The 2008 withholdings were disbursed to the IRS on May 15, 2009, and the payment was \$99.95 more than the calculated amount due. No supporting documentation could be found to determine why an excess amount had been paid. The 2009 withholding payments have not been posted to the ledger as of March 1, 2010.

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)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest, or other charges paid by the government unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

BONO TOWNSHIP, LAWRENCE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 29, 2010, with Carol Roop, Clerk. The contents of this report were also discussed, by phone, on March 30, 2010, with George T. Wilcox, Trustee.