

B36443

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

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



FILED
04/27/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Gerald Gilles Dennis R. Gilles	01-01-07 to 09-30-07 10-01-07 to 12-31-10
Chairman of the Township Board	Omer Cord Thomas Zobel Omer Cord	01-01-07 to 12-31-07 01-01-08 to 12-31-09 01-01-10 to 12-31-10



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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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF SHELBY TOWNSHIP, SHELBY COUNTY, INDIANA

We have examined the financial information presented herein of Shelby 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 31, 2010

SHELBY TOWNSHIP, SHELBY 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	\$ 97,256	\$ 36,181	\$ 25,796	\$ 107,641
Dog	728	-	728	-
Township Assistance	31,349	3,801	4,997	30,153
Firefighting	110,350	27,972	40,386	97,936
Cumulative Fire	49,230	11,407	-	60,637
Totals	<u>\$ 288,913</u>	<u>\$ 79,361</u>	<u>\$ 71,907</u>	<u>\$ 296,367</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 107,641	\$ 33,257	\$ 25,097	\$ 115,801
Township Assistance	30,153	2,025	3,326	28,852
Firefighting	97,936	22,931	40,698	80,169
Rainy Day	-	1,625	251	1,374
Cumulative Fire	60,637	8,890	-	69,527
Totals	<u>\$ 296,367</u>	<u>\$ 68,728</u>	<u>\$ 69,372</u>	<u>\$ 295,723</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 115,801	\$ 44,556	\$ 25,806	\$ 134,551
Township Assistance	28,852	5,404	3,212	31,044
Firefighting	80,169	56,603	40,698	96,074
Rainy Day	1,374	738	-	2,112
Cumulative Fire	69,527	19,623	-	89,150
Totals	<u>\$ 295,723</u>	<u>\$ 126,924</u>	<u>\$ 69,716</u>	<u>\$ 352,931</u>

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

SHELBY TOWNSHIP, SHELBY 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.

SHELBY TOWNSHIP, SHELBY COUNTY
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The official bond for the Township Trustee was not filed with the County Recorder or approved by the County Auditor. Additionally, for the bond covering the period after July 1, 2009, the coverage was less than prescribed by IC 5-4-1-18.

IC 5-4-1-5.1 states in part:

"Every elected or appointed officer, official, deputy, or employee of a political subdivision who is required by section 18 of the chapter to file an official bond . . . shall file the bond in the office of the county recorder . . ."

IC 5-4-1-8 states in part:

"The official bonds of officers, if sufficient, shall be approved as follows: . . . (3) Of county assessor, township trustee, and township assessor (if any), by the county auditor."

Effective July 1, 2009, IC 5-4-1-18 states in part:

"(c) Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of . . . township trustees . . . as follows:

- (1) The amount of annual coverage must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount of annual coverage may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount of annual coverage for the officer or employee."

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

Officials or employees of the Township had money due from the Township, but a list of such employees was not certified to the County Treasurer.

IC 6-1.1-22-14(a) states in part:

"On or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the names and addresses of each person who has money due the person from the political subdivision to the treasurer of each county in which the political subdivision is located."

SHELBY TOWNSHIP, SHELBY COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

APPROPRIATIONS

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

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Firefighting	2008	<u>\$ 9,651</u>

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."

SHELBY TOWNSHIP, SHELBY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 31, 2010, with Dennis R. Gilles, Trustee. The official concurred with our findings.