

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

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



**FILED**  
05/12/2010



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances .....	4
Notes to Financial Information .....	5
Supplementary Information:	
Schedule of Capital Assets.....	6
Examination Results and Comments:	
Appropriations.....	7
Prescribed Forms .....	7
Disbursement Documentation .....	8
Capital Asset Records .....	8
List of Employees Not Filed with County Treasurer .....	8
Contracts .....	8
Exit Conference.....	9

OFFICIALS

Office

Official

Term

Trustee

Shirley A. Schafer

01-01-07 to 12-31-10

Chairman of the  
Township Board

Gene Miller

01-01-07 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Logan 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 Capital Assets, 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 them.

STATE BOARD OF ACCOUNTS

April 12, 2010

LOGAN TOWNSHIP, PIKE 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	\$ 17,624	\$ 7,215	\$ 8,897	\$ 15,942
Township Assistance	3,628	1,864	1,933	3,559
Firefighting	10,570	2,632	2,000	11,202
Totals	<u>\$ 31,822</u>	<u>\$ 11,711</u>	<u>\$ 12,830</u>	<u>\$ 30,703</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 15,942	\$ 8,581	\$ 9,433	\$ 15,090
Township Assistance	3,559	1,820	1,246	4,133
Firefighting	11,202	3,005	1,500	12,707
Totals	<u>\$ 30,703</u>	<u>\$ 13,406</u>	<u>\$ 12,179</u>	<u>\$ 31,930</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 15,090	\$ 9,236	\$ 9,127	\$ 15,199
Township Assistance	4,133	1,803	1,821	4,115
Firefighting	12,707	3,076	1,500	14,283
Totals	<u>\$ 31,930</u>	<u>\$ 14,115</u>	<u>\$ 12,448</u>	<u>\$ 33,597</u>

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

LOGAN TOWNSHIP, PIKE 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.

LOGAN TOWNSHIP, PIKE COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended December 31, 2009

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 100
Buildings	1,000
Machinery & Equipment	<u>205</u>
 Total governmental activities, capital assets not being depreciated	 \$ <u>1,305</u>

LOGAN TOWNSHIP, PIKE COUNTY  
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

The 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	2007	<u>\$ 500</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."

PRESCRIBED FORMS

The following prescribed forms were not in use or were not used as intended:

Township Form 15 - Annual Report, Part 3B, did not reflect the proper information during the period examined. The Township Fund disbursements were not reported in the gross amount. A similar comment appeared in the prior reports.

Township Form 1C - Financial and Appropriation Record, was not adequately maintained for 2009 through the current period. The approved appropriations were not recorded, not all transactions were posted, and the disbursements were not properly footed.

Township Form 17 - Resolution Establishing Salaries of Township Officers and Employees was not presented for examination and the Township Board minutes did not reflect that salaries of officers and employees were set for the period under examination.

General Form 100-R - Certified Report of Names, Addresses, Duties and Compensation of Public Employees was not filed with the State Examiner.

General Form 99 B - Employee Earnings Record was not presented for examination.

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)

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, PIKE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

DISBURSEMENT DOCUMENTATION

Payments were observed which did not contain adequate supporting documentation such as receipts and invoices reflecting when services were performed and the amount owed.

Due to the lack of supporting information, the validity and accountability of some monies disbursed could not be established.

Supporting documentation such as receipts, cancelled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CAPITAL ASSET RECORDS

Information presented for examination indicated that an inventory of capital assets was made; however, Form 369 (Capital Asset Ledger) did not disclose the original or estimated cost of the land, community building and some equipment.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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."

CONTRACTS

Records presented for examination indicated payments were made for cemetery care and maintenance services in 2007, 2008, and 2009 without a contract. Documents presented for examination were invoices for services that did not reflect the rate of pay or when services were performed.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

LOGAN TOWNSHIP, PIKE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on April 12, 2010, with Shirley A. Schafer, Trustee. The official concurred with our findings.