

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

EXAMINATION REPORT  
OF  
FAYETTE TOWNSHIP  
VIGO COUNTY, INDIANA  
January 1, 2004 to December 31, 2005



**FILED**  
12/11/2006



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Richard Livingston	01-01-03 to 12-31-06
Chairman of the Township Board	Virginia Dunkley	01-01-04 to 12-31-04
	Larry Davison	01-01-05 to 12-31-05
	Donald Vermillion	01-01-06 to 12-31-06



**STATE OF INDIANA**  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF FAYETTE TOWNSHIP, VIGO COUNTY, INDIANA

We have examined the financial information presented herein of Fayette Township (Township), for the period of January 1, 2004 to December 31, 2005. 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, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

October 24, 2006

FAYETTE TOWNSHIP, VIGO COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 3,290	\$ 87,866	\$ 75,610	\$ 15,546
Dog	277	77	-	354
Township Assistance	1,617	21,994	9,243	14,368
Firefighting	1,377	46,785	43,667	4,495
Cumulative Fire	9,470	9,578	9,840	9,208
Totals	<u>\$ 16,031</u>	<u>\$ 166,300</u>	<u>\$ 138,360</u>	<u>\$ 43,971</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 15,546	\$ 53,566	\$ 52,060	\$ 17,052
Dog	354	53	53	354
Township Assistance	14,368	2,113	8,623	7,858
Firefighting	4,495	26,522	22,865	8,152
Cumulative Fire	9,208	4,985	11,279	2,914
Totals	<u>\$ 43,971</u>	<u>\$ 87,239</u>	<u>\$ 94,880</u>	<u>\$ 36,330</u>

The accompanying notes are an integral part of the schedules.

FAYETTE TOWNSHIP, VIGO 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.

FAYETTE TOWNSHIP, VIGO COUNTY  
EXAMINATION RESULTS AND COMMENTS

PENALTIES AND INTEREST

Information presented for audit indicates that, in some cases, payroll taxes were paid late.

Interest totaling \$39 was paid to the Internal Revenue Service in 2005. Penalties and interest totaling \$34 were paid to the Indiana Department of Revenue in 2005.

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 governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

SUPPORTING DOCUMENTATION

Several payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records. Due to the lack of supporting information, the validity and accountability for some money disbursed could not be established.

Several payments for Township Assistance were observed which were not supported by an application.

Supporting documentation such as receipts, canceled 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)

Application for Township Assistance is to be completed by each person who applies for township assistance. Any person expressing a desire for assistance shall be permitted to apply, whether or not the trustee believes the person to be eligible. Each completed form must be filed in the trustee's office, whether or not relief is granted on the application. The trustee shall not extend aid to persons or families unless an affidavit setting forth the personal condition of the family has been filed within one hundred eighty (180) days prior to the date of the extension of aid. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 6)

FAYETTE TOWNSHIP, VIGO COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 24, 2006, with Richard Livingston, Trustee.  
The official concurred with our findings.