

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

EXAMINATION REPORT

OF

CAIN TOWNSHIP

FOUNTAIN COUNTY, INDIANA

January 1, 2005 to December 31, 2006



**FILED**

09/20/2007



## 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
Examination Results and Comments:	
Deposit of Public Funds.....	6
Prescribed Forms .....	6
Disbursement Documentation .....	6
Exit Conference.....	7

OFFICIALS

Office

Official

Term

Trustee

Gary M. McGrady

01-01-03 to 12-31-10

Chairman of the  
Township Board

Linda Croft  
James Clark

01-01-05 to 12-31-06  
01-01-07 to 12-31-07



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF CAIN TOWNSHIP, FOUNTAIN COUNTY, INDIANA

We have examined the financial information presented herein of Cain Township (Township), for the period of January 1, 2005 to December 31, 2006. 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, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

July 2, 2007

CAIN TOWNSHIP, FOUNTAIN COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Township	\$ 24,678	\$ 1,517	\$ 5,722	\$ 20,473
Dog	256	8	-	264
Township Assistance	10,276	1,529	2,167	9,638
Firefighting	10,046	8,672	9,066	9,652
Park and Recreation	2,819	1,118	2,317	1,620
Cemetery	4,218	-	-	4,218
Rainy Day	847	-	-	847
Cumulative Fire	36,681	7,451	116	44,016
Levy Excess	-	235	-	235
Totals	<u>\$ 89,821</u>	<u>\$ 20,530</u>	<u>\$ 19,388</u>	<u>\$ 90,963</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 20,473	\$ 1,444	\$ 5,536	\$ 16,381
Dog	264	66	-	330
Township Assistance	9,638	1,382	2,330	8,690
Firefighting	9,652	6,682	9,000	7,334
Park and Recreation	1,620	3,135	1,250	3,505
Cemetery	4,218	-	-	4,218
Rainy Day	847	-	-	847
Cumulative Fire	44,016	7,132	-	51,148
Levy Excess	235	-	235	-
Totals	<u>\$ 90,963</u>	<u>\$ 19,841</u>	<u>\$ 18,351</u>	<u>\$ 92,453</u>

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

CAIN TOWNSHIP, FOUNTAIN 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.

CAIN TOWNSHIP, FOUNTAIN COUNTY  
EXAMINATION RESULTS AND COMMENTS

DEPOSIT OF PUBLIC FUNDS

Eight of fifteen local tax distributions were not deposited timely.

Indiana Code 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."

PRESCRIBED FORMS

The following prescribed form was not used in two of the township assistance disbursements examined and did not show evidence of investigation in two other instances:

Township Assistance Form TA-1, Application for Township Assistance

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)

DISBURSEMENT DOCUMENTATION

Three payments examined did not contain adequate supporting documentation such as contracts, receipts, and invoices.

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

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)

CAIN TOWNSHIP, FOUNTAIN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 2, 2007, with Gary M. McGrady, Trustee. The official concurred with our findings.