

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

EXAMINATION REPORT
OF
PRAIRIE TOWNSHIP
WARREN COUNTY, INDIANA
January 1, 2005 to December 31, 2006



FILED
09/24/2007

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:	
Firefighting Equipment Purchase.....	6
Federal and State Agencies – Compliance Requirements.....	6
Deposit of Public Funds.....	6
Exit Conference.....	7

OFFICIALS

Office

Official

Term

Trustee

Melyssa Leak

01-01-03 to 12-31-10

Chairman of the
Township Board

Brenda Leak
Gary Larch

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



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF PRAIRIE TOWNSHIP, WARREN COUNTY, INDIANA

We have examined the financial information presented herein of Prairie 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 3, 2007

PRAIRIE TOWNSHIP, WARREN 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	\$ 44,462	\$ 5,761	\$ 9,582	\$ 40,641
Township Assistance	3,697	2,341	2,001	4,037
Firefighting	20,645	4,425	11,000	14,070
Dog	358	22	58	322
Totals	<u>\$ 69,162</u>	<u>\$ 12,549</u>	<u>\$ 22,641</u>	<u>\$ 59,070</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 40,641	\$ 7,885	\$ 10,329	\$ 38,197
Township Assistance	4,037	3,429	1,103	6,363
Firefighting	14,070	6,986	6,000	15,056
Dog	322	30	22	330
Totals	<u>\$ 59,070</u>	<u>\$ 18,330</u>	<u>\$ 17,454</u>	<u>\$ 59,946</u>

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

PRAIRIE TOWNSHIP, WARREN 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. However, 2006 taxes became delinquent if not paid by June 2 and November 20, 2006.

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.

PRAIRIE TOWNSHIP, WARREN COUNTY
EXAMINATION RESULTS AND COMMENTS

FIREFIGHTING EQUIPMENT PURCHASE

The Township contributed monies towards the purchase of a fire truck; however, the title is not in the Township's name.

Any two or more townships desiring to unite in the purchase, housing, care, maintenance, operation and use of firefighting equipment may purchase such equipment by executing conditional sales or mortgage contracts, notes, or bonds. The two or more townships may jointly employ firemen to fight fires and operate the equipment. The title to equipment purchased jointly shall vest and remain in the respective townships in proportion to their respective contributions toward purchase. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 9)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

Prairie Township did not comply with directives of the Internal Revenue Service or the Indiana Department of Revenue. The Trustee did not withhold taxes from employees in 2005. The Trustee did not issue W2s or 1099s, or file withholding reports to withholding authorities in 2005 or 2006. The Trustee did not remit withholdings to authorities in 2006.

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)

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

DEPOSIT OF PUBLIC FUNDS

Five of eleven County distributions were deposited subsequent to the first or fifteenth day of the month.

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."

PRAIRIE TOWNSHIP, WARREN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 3, 2007, with Melyssa Leak, Trustee. The official concurred with our findings.