

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

EXAMINATION REPORT  
OF  
RICH GROVE TOWNSHIP  
PULASKI COUNTY, INDIANA  
January 1, 2006 to December 31, 2007



**FILED**  
04/29/2008



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Deloris Locke	09-01-05 to 12-31-10
Chairman of the Township Board	Alberta Katschke	01-01-06 to 12-31-06
	Judy Powers	01-01-07 to 12-31-07
	Alberta Katschke	01-01-08 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF RICH GROVE TOWNSHIP, PULASKI COUNTY, INDIANA

We have examined the financial information presented herein of Rich Grove Township (Township), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

February 6, 2008

RICH GROVE TOWNSHIP, PULASKI COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 3,614	\$ 11,312	\$ 11,155	\$ 3,771
Dog	402	101	172	331
Township Assistance	1,954	2,270	3,854	370
Firefighting	46,912	19,455	14,984	51,383
Levy Excess	-	792	-	792
Totals	<u>\$ 52,882</u>	<u>\$ 33,930</u>	<u>\$ 30,165</u>	<u>\$ 56,647</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 3,771	\$ 11,043	\$ 12,280	\$ 2,534
Dog	331	-	331	-
Township Assistance	370	2,455	2,203	622
Firefighting	51,383	15,538	8,430	58,491
Levy Excess	792	-	-	792
Totals	<u>\$ 56,647</u>	<u>\$ 29,036</u>	<u>\$ 23,244</u>	<u>\$ 62,439</u>

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

RICH GROVE TOWNSHIP, PULASKI 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.

RICH GROVE TOWNSHIP, PULASKI COUNTY  
EXAMINATION RESULTS AND COMMENTS

PAYROLL DEDUCTIONS

The Township paid salaries for the 2006 and 2007 without withholding payroll taxes on all employees of the Township.

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)

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)

ADVANCE PAYMENTS

Dates of transactions indicate that some payments were made to employees of the Township before services were performed. Salaries to the Trustee and Deputy Trustee were sometimes paid early in a quarter and total pay for the year was noted to be paid in total for the years 2006 and 2007 by November each year.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

COMPENSATION AND BENEFITS

The Township Deputy received \$1,000 in payments for the year 2007 which were not included in the payroll system or on the salary ordinance or resolution. We request that the Rich Grove Township Deputy, Teresa Bryant, reimburse Rich Grove Township for \$1,000 received as an overpayment for salaries in 2007. (See Summary, page 8)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 17)

RICH GROVE TOWNSHIP, PULASKI COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on February 6, 2008, with Deloris Locke, Trustee. The official concurred with our findings.

RICH GROVE TOWNSHIP, PULASKI COUNTY  
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Deputy Trustee, Teresa Bryant: Compensation and Benefits, page 6	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>