

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

EXAMINATION REPORT

OF

FAIRMOUNT TOWNSHIP

GRANT COUNTY, INDIANA

January 1, 2006 to December 31, 2007



FILED

11/17/2008

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:	
Investments Not Authorized By Statue.....	6
Temporary Loan	6
Capital Asset Records	6
Exit Conference.....	7

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Charles N. Woodruff	01-01-03 to 12-31-10
Chairman of the Township Board	Ronald Wilson	01-01-06 to 12-31-06
	Linda Earnest	01-01-07 to 12-31-07
	Morris Kelsay	01-01-08 to 12-31-08



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF FAIRMOUNT TOWNSHIP, GRANT COUNTY, INDIANA

We have examined the financial information presented herein of Fairmount 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

September 3, 2008

FAIRMOUNT TOWNSHIP, GRANT 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	\$ 11,986	\$ 12,998	\$ 14,771	\$ 10,213
Dog	496	136	196	436
Township Assistance	6,902	18,365	21,520	3,747
Firefighting	82,284	42,912	51,550	73,646
Federal Revenue Sharing	10,326	-	650	9,676
Totals	<u>\$ 111,994</u>	<u>\$ 74,411</u>	<u>\$ 88,687</u>	<u>\$ 97,718</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 10,213	\$ 13,575	\$ 16,135	\$ 7,653
Dog	436	-	436	-
Township Assistance	3,747	17,825	11,581	9,991
Firefighting	73,646	45,942	30,324	89,264
Federal Revenue Sharing	9,676	-	9,676	-
Totals	<u>\$ 97,718</u>	<u>\$ 77,342</u>	<u>\$ 68,152</u>	<u>\$ 106,908</u>

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

FAIRMOUNT TOWNSHIP, GRANT 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.

Note 6. Common Stock Investment

The Township owned 2,152 shares of Global Crossing, Ltd., common stock at December 31, 2007. The original date of the stock acquisition and the original number of shares is not known. This investment is not reflected in the financial statements.

FAIRMOUNT TOWNSHIP, GRANT COUNTY
EXAMINATION RESULTS AND COMMENTS

INVESTMENTS NOT AUTHORIZED BY STATUTE

The Township originally acquired common stock of the Rochester Telephone Company. Due to stock splits and buy outs, the Township now holds 2,152 shares of Global Crossing, Ltd. A similar comment appeared in prior Report B28400.

Investments should only be made in accordance with statute. Expenses related to any unauthorized investments may be the personal obligation of the responsible official or employee.

Losses related to investments and investment procedures which are not authorized by statute may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

TEMPORARY LOAN

A temporary loan of \$1,000 was made on December 30, 2003, from the Firefighting Fund to the Township Fund and has not been repaid. A similar comment appeared in prior Report B28400.

Indiana Code 36-1-8-4 concerning temporary loans states in part:

"(a) . . . (3) Except as provided in subsection (b), the prescribed period must end during the budget year of the year in which the transfer occurs. (4) The amount transferred must be returned to the other fund at the end of the prescribed period. . . ."

"(b) If the fiscal body of a political subdivision determines that an emergency exists that requires an extension of the prescribed period of a transfer under this section, the prescribed period may be extended for not more than six (6) months beyond the budget year of the year in which the transfer occurs if the fiscal body does the following: (1) Passes an ordinance or a resolution that contains the following: (A) A statement that the fiscal body has determined that an emergency exists. (B) A brief description of the grounds for the emergency. (C) The date the loan will be repaid that is not more than six (6) months beyond the budget year in which the transfer occurs. (2) Immediately forwards the ordinance or resolution to the state board of accounts and the Department of Local Government Finance."

CAPITAL ASSET RECORDS

An inventory or record of capital assets was not maintained. A similar comment appeared in prior Report B28400.

Every governmental unit should have a complete inventory of all capital assets owned which reflects 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)

FAIRMOUNT TOWNSHIP, GRANT COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 3, 2008, with Charles N. Woodruff, Trustee; and Stanley W. Corliss, Clerk. The officials concurred with our findings.