

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

EXAMINATION REPORT
OF
FAIRFIELD TOWNSHIP
DEKALB COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
02/27/2009

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Angelia Deetz	01-01-03 to 12-31-10
Chairman of the Township Board	Donald Skelly John Reinoehl	01-01-06 to 12-31-07 01-01-08 to 12-31-08



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF FAIRFIELD TOWNSHIP, DEKALB COUNTY, INDIANA

We have examined the financial information presented herein of Fairfield 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.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

December 23, 2008

FAIRFIELD TOWNSHIP, DEKALB 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	\$ 31,642	\$ 38,321	\$ 29,795	\$ 40,168
Dog	1,088	534	286	1,336
Township Assistance	8,360	1,689	989	9,060
Firefighting	6,499	26,897	31,713	1,683
Community Building	55,330	-	27,239	28,091
Debt Service	(10,991)	76,666	59,030	6,645
Levy Excess	327	-	-	327
Totals	<u>\$ 92,255</u>	<u>\$ 144,107</u>	<u>\$ 149,052</u>	<u>\$ 87,310</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 40,168	\$ 72,866	\$ 49,117	\$ 63,917
Dog	1,336	-	-	1,336
Township Assistance	9,060	12,651	2,595	19,116
Firefighting	1,683	42,676	36,785	7,574
Community Building	28,091	21,755	31,232	18,614
Debt Service	6,645	89,895	88,567	7,973
Levy Excess	327	-	-	327
Totals	<u>\$ 87,310</u>	<u>\$ 239,843</u>	<u>\$ 208,296</u>	<u>\$ 118,857</u>

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

FAIRFIELD TOWNSHIP, DEKALB 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.

FAIRFIELD TOWNSHIP, DEKALB COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 900
Buildings	300,000
Improvements other than buildings	26,555
Machinery and equipment	<u>5,435</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 332,890</u>

FAIRFIELD TOWNSHIP, DEKALB COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Community Building Note of 2004	\$ 162,709	\$ 29,515

FAIRFIELD TOWNSHIP, DEKALB COUNTY
EXAMINATION RESULTS AND COMMENTS

DEPOSIT OF PUBLIC FUNDS

We noted instances where deposits were made from 11 to 265 days after the date of the County Auditor's distribution check.

IC 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."

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not presented for examination.

IC 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CONTRACTS

Records presented for examination indicate payments for fire protection were made to the Town of Corunna for \$8,344 and the Town of Helmer for \$5,563 in 2006 and the Town of Ashley for \$14,880 in 2007 without a contract.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

ANNUAL REPORT

The Trustee did not file a copy of the 2006 and 2007 annual report with the County Auditor or the State Board of Accounts. The 2007 annual report was approved by all three board members even though the report was not complete.

IC 36-6-4-13 states in part: "When the executive prepares the annual report . . . Within four (4) weeks after the third Tuesday following the first Monday in January, the executive shall publish the abstract prescribed . . . in accordance with IC 5-3-1 . . . An executive who fails to comply with this section commits a Class C infraction."

FAIRFIELD TOWNSHIP, DEKALB COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

CONDITION OF RECORDS

Financial records presented for examination were incomplete and not reflective of the activity of any of the Township funds. The records presented did not provide sufficient information to establish beginning balances, receipts, disbursements, ending balances, or the accuracy or correctness of the transactions. The Trustee posted receipts and disbursements to the "Total all Funds" column but not to the individual fund pages and did not foot or total the ledger.

A similar comment appeared in the prior Report B28591.

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)

OFFICIAL BOND

The Trustee did not present an official bond for the current term of office (2007-2010).

IC 5-4-1-9 states: "An officer required to give an official bond shall give the bond before the commencement of his term of office. If the officer fails to give the bond before that time, the officer may not take office."

COLLECTION OF AMOUNTS DUE

The Township office was moved from the Trustee's home to the Community Building. The Trustee agreed to pay \$1,537.22 on October 29, 2007, to purchase the office furniture that the Township purchased in 2003.

Angelia Deetz, Trustee, was requested to pay the Township \$1,537.22. (See Summary, page 11)

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

FAIRFIELD TOWNSHIP, DEKALB COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 23, 2008, with Angelia Deetz, Trustee.

FAIRFIELD TOWNSHIP, DEKALB COUNTY
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Angelia Deetz, Trustee:			
Collection of Amounts Due, page 9	<u>\$ 1,537.22</u>	<u>\$ -</u>	<u>\$ 1,537.22</u>

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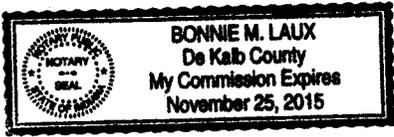
AFFIDAVIT

STATE OF INDIANA)
)
DEKALB COUNTY)

We, Daniel A. Sorg and Heidi L. McCoy, Field Examiners, being duly sworn on our oaths, state that the foregoing report based on the official records of Fairfield Township, DeKalb County, Indiana, for the period from January 1, 2006, to December 31, 2007, is true and correct to the best of our knowledge and belief.

Daniel A. Sorg
Heidi L. McCoy
Field Examiners

Subscribed and sworn to before me this 23rd day of December, 2008



Bonnie M. Laux
(Notary Public)
Bonnie M. Laux

My Commission Expires: 11-25-15 (Use with Notary)

County of Residence: DeKalb (Use with Notary)