

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

EXAMINATION REPORT
OF
RICHLAND TOWNSHIP
FOUNTAIN COUNTY, INDIANA
January 1, 2007 to December 31, 2009



FILED
04/09/2010

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:	
Appropriations.....	6
Disbursement Documentation	6
Overdrawn Fund Balances	6
Exit Conference.....	7

OFFICIALS

Office

Official

Term

Trustee

Melanie Fay

01-01-07 to 12-31-10

Chairman of the
Township Board

Byron Rice

01-01-07 to 12-31-10



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Richland Township (Township), for the period of January 1, 2007 to December 31, 2009. 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, 2007, 2008, and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

March 3, 2010

RICHLAND 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, 2007, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 46,126	\$ 12,594	\$ 10,171	\$ 48,549
Township Assistance	10,493	-	7,601	2,892
Firefighting	48,712	20,826	15,400	54,138
Park and Recreation	2,247	2,084	1,000	3,331
Levy Excess	385	-	-	385
Rainy Day	1,266	-	-	1,266
Totals	<u>\$ 109,229</u>	<u>\$ 35,504</u>	<u>\$ 34,172</u>	<u>\$ 110,561</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 48,549	\$ 3,941	\$ 11,293	\$ 41,197
Township Assistance	2,892	6,050	7,865	1,077
Firefighting	54,138	18,169	73,534	(1,227)
Park and Recreation	3,331	-	1,000	2,331
Levy Excess	385	-	-	385
Rainy Day	1,266	-	1,266	-
Totals	<u>\$ 110,561</u>	<u>\$ 28,160</u>	<u>\$ 94,958</u>	<u>\$ 43,763</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 41,197	\$ 9,515	\$ 10,836	\$ 39,876
Township Assistance	1,077	8,844	7,182	2,739
Firefighting	(1,227)	27,600	19,000	7,373
Park and Recreation	2,331	-	1,000	1,331
Levy Excess	385	-	-	385
Rainy Day	-	553	-	553
Totals	<u>\$ 43,763</u>	<u>\$ 46,512</u>	<u>\$ 38,018</u>	<u>\$ 52,257</u>

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

RICHLAND 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). Ordinarily, taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. In 2007, taxes were due June 8 and November 13 and distributed by December 31, 2007. In 2008, taxes were due November 10, 2008, and January 12, 2009, and were distributed February 10, 2009. In 2009, taxes were due July 10 and November 10 and were distributed by December 31, 2009.

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.

RICHLAND TOWNSHIP, FOUNTAIN COUNTY
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for examination indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Township Assistance	2008	<u>\$ 215</u>

IC 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

DISBURSEMENT DOCUMENTATION

Several payments were observed which did not contain adequate supporting documentation such as 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)

OVERDRAWN FUND BALANCES

The Firefighting Fund was overdrawn in 2008.

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

RICHLAND TOWNSHIP, FOUNTAIN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 3, 2010, with Melanie Fay, Trustee. The official concurred with our findings.