

B36353

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

EXAMINATION REPORT
OF
ADAMS TOWNSHIP
MADISON COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
04/23/2010

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
Supplementary Information:	
Schedule of Long-Term Debt	6
Examination Results and Comments:	
Payroll Withholdings	7
Overdrawn Cash Balances.....	7
Exit Conference.....	8

OFFICIALS

Office

Official

Term

Trustee

Melinda Padgett

01-01-07 to 12-31-10

Chairman of the
Township Board

James Wallace

01-01-08 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF ADAMS TOWNSHIP, MADISON COUNTY, INDIANA

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

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

April 6, 2010

ADAMS TOWNSHIP, MADISON COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 32,654	\$ 35,550	\$ 22,671	\$ 45,533
Township Assistance	5,535	13,288	12,722	6,101
Fire Fighting	23,453	143,807	122,574	44,686
Cumulative Fire	33,215	33,491	14,113	52,593
Fire Equipment Debt	(20,730)	20,371	-	(359)
Ambulance	43,443	94,525	68,992	68,976
Recreation	373	3,831	3,500	704
Library	2,592	28,104	35,140	(4,444)
Levy Excess	5,089	-	5,089	-
Totals	<u>\$ 125,624</u>	<u>\$ 372,967</u>	<u>\$ 284,801</u>	<u>\$ 213,790</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 45,533	\$ 24,703	\$ 38,121	\$ 32,115
Township Assistance	6,101	9,564	13,955	1,710
Fire Fighting	44,686	95,064	81,380	58,370
Cumulative Fire	52,593	21,713	20,250	54,056
Fire Equipment Debt	(359)	10,028	14,000	(4,331)
Ambulance	68,976	101,247	78,719	91,504
Recreation	704	2,467	3,500	(329)
Library	(4,444)	30,201	38,000	(12,243)
Totals	<u>\$ 213,790</u>	<u>\$ 294,987</u>	<u>\$ 287,925</u>	<u>\$ 220,852</u>

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

ADAMS TOWNSHIP, MADISON 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. 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).

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.

ADAMS TOWNSHIP, MADISON COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Notes and loans payable	\$ 145,585	\$ 36,180
Total governmental activities debt	<u>\$ 145,585</u>	<u>\$ 36,180</u>

ADAMS TOWNSHIP, MADISON COUNTY
EXAMINATION RESULTS AND COMMENTS

PAYROLL WITHHOLDINGS

Information presented for examination indicates that during 2009 the Township did not submit the proper amount of payroll withholding taxes to the federal government. The delinquent amount is \$293.34. Further review of quarterly federal tax returns revealed that \$1,101 in employee wages were not included on the forms, which caused the underpayment of taxes.

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)

OVERDRAWN CASH BALANCES

The cash balance of the Fire Equipment Debt Fund and Library Fund was overdrawn in 2008 by \$359 and \$4,444, respectively. Also, the cash balance of the Fire Equipment Debt Fund, Library Fund, and Recreation Fund was overdrawn in 2009 by \$4,331, \$12,244, and \$329, respectively.

The cash 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)

ADAMS TOWNSHIP, MADISON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 6, 2010, with Melinda Padgett, Trustee. The official concurred with our findings.