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

EXAMINATION REPORT
OF
PRAIRIE TOWNSHIP
WARREN COUNTY, INDIANA
January 1, 2007 to December 31, 2009



FILED
04/30/2010

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OFFICIALS

Office

Official

Term

Trustee

Melyssa Leak

01-01-07 to 12-31-10

Chairman of the
Township Board

Gary Larch

01-01-07 to 12-31-10



STATE OF INDIANA
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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 PRAIRIE TOWNSHIP, WARREN COUNTY, INDIANA

We have examined the financial information presented herein of Prairie 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 29, 2010

PRAIRIE TOWNSHIP, WARREN 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	\$ 38,197	\$ 4,837	\$ 11,613	\$ 31,421
Dog	330	-	330	-
Township Assistance	6,363	367	1,122	5,608
Firefighting	15,056	2,361	6,000	11,417
Totals	<u>\$ 59,946</u>	<u>\$ 7,565</u>	<u>\$ 19,065</u>	<u>\$ 48,446</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 31,421	\$ 8,455	\$ 11,479	\$ 28,397
Township Assistance	5,608	790	998	5,400
Firefighting	11,417	5,044	6,000	10,461
Rainy Day	-	548	-	548
Totals	<u>\$ 48,446</u>	<u>\$ 14,837</u>	<u>\$ 18,477</u>	<u>\$ 44,806</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 28,397	\$ 39,403	\$ 41,279	\$ 26,521
Township Assistance	5,400	339	4,125	1,614
Firefighting	10,461	10,018	6,000	14,479
Rainy Day	548	240	-	788
Totals	<u>\$ 44,806</u>	<u>\$ 50,000</u>	<u>\$ 51,404</u>	<u>\$ 43,402</u>

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

PRAIRIE TOWNSHIP, WARREN 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. However, 2007 taxes became delinquent if not paid by June 29 and November 13; 2008 taxes became delinquent if not paid by August 29 and November 10; and 2009 taxes became delinquent if not paid by July 17 and November 10.

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.

PRAIRIE TOWNSHIP, WARREN COUNTY
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORT

An annual report for 2009 has not been filed with the State Board of Accounts. A draft copy was presented for examination.

IC 5-11-1-4 states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be filed electronically, in a manner prescribed by the state examiner that is compatible with the technology employed by the political subdivision."

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	2009	<u>\$ 889</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."

DEPOSIT OF PUBLIC FUNDS

We noted the tax distribution made December 31, 2009, for \$4,270.49 was not deposited until February 1, 2010.

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."

PRAIRIE TOWNSHIP, WARREN COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

Prairie Township did not comply with directives of the Internal Revenue Service or the Indiana Department of Revenue. The Trustee did not withhold taxes from employees, remit withholdings, issue Internal Revenue Service Form W-2 or file withholding reports to the Federal or State government. A similar comment appeared in the previous report.

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)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (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 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.)

INVESTMENT TRANSACTIONS

A Certificate of Deposit purchased from the Township Fund was cashed during the examination period but a portion of the proceeds was receipted into the Firefighting Fund.

When the investments by fund are sold, the full amount of such sale should be entered as receipt to the fund from which the investment was made. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 18)

PRAIRIE TOWNSHIP, WARREN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 29, 2010, with Melyssa Leak, Trustee.