

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

EXAMINATION REPORT
OF
LAFAYETTE TOWNSHIP
OWEN COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
05/12/2010

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OFFICIALS

Office

Official

Term

Trustee

Lois Bixler

01-01-07 to 12-31-10

Chairman of the
Township Board

Kenneth Sebastian

01-01-08 to 12-31-10



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF LAFAYETTE TOWNSHIP, OWEN COUNTY, INDIANA

We have examined the financial information presented herein of Lafayette 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.

STATE BOARD OF ACCOUNTS

April 7, 2010

LAFAYETTE TOWNSHIP, OWEN 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	\$ 20,309	\$ 6,003	\$ 5,312	\$ 21,000
Dog	438	-	438	-
Township Assistance	6,559	3,258	4,512	5,305
Firefighting	2,187	5,721	6,200	1,708
Rainy Day	1,313	545	98	1,760
Levy Excess	359	-	38	321
	<u>31,165</u>	<u>15,527</u>	<u>16,598</u>	<u>30,094</u>
Totals	<u>\$ 31,165</u>	<u>\$ 15,527</u>	<u>\$ 16,598</u>	<u>\$ 30,094</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 21,000	\$ 6,661	\$ 5,132	\$ 22,529
Township Assistance	5,305	4,958	4,118	6,145
Firefighting	1,708	7,437	4,000	5,145
Rainy Day	1,760	387	-	2,147
Levy Excess	321	-	-	321
	<u>30,094</u>	<u>19,443</u>	<u>13,250</u>	<u>36,287</u>
Totals	<u>\$ 30,094</u>	<u>\$ 19,443</u>	<u>\$ 13,250</u>	<u>\$ 36,287</u>

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

LAFAYETTE TOWNSHIP, OWEN 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 (Indiana Code 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.

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 (Indiana Code 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.

LAFAYETTE TOWNSHIP, OWEN 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>
Firefighting	2008	<u>\$ 200</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."

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: "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 were made to the Patricksburg Fire Department for \$6,000 in 2008 and \$4,000 in 2009 without an amount specified in the contract. Additionally, payments were made for 2008 and 2009 for cemetery care without a signed 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)

LAFAYETTE TOWNSHIP, OWEN COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

OFFICIAL BOND

The official bond for Lois Bixler, Township Trustee, was recorded in the Office of the County Recorder in the amount of \$15,000 without a rider added from July 1, 2009 to December 31, 2009. Additionally, the bond for 2010 was still in the amount of \$15,000.

Effective July 1, 2009, IC 5-4-1-18 states in part:

"(c) Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of . . . township trustees . . . as follows:

- (1) The amount of annual coverage must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount of annual coverage may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount of annual coverage for the officer or employee."

The State Board of Accounts is of the audit position in order to comply with the changes made in Public Law 176 effective July 1, 2009, governments will have to purchase riders on their current bond coverage for the remainder of the calendar year; and beginning January 1, 2010, will have to provide annual bond coverage. We are also of the audit position a new bond should be obtained for each year and continuation certificates or renewals should not be used in lieu of obtaining a new bond. (The Township Bulletin and Uniform Compliance Guidelines, Volume 286)

LAFAYETTE TOWNSHIP, OWEN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 7, 2010, with Lois Bixler, Trustee. The official concurred with our findings.