

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

EXAMINATION REPORT

OF

RICHLAND TOWNSHIP

MONROE COUNTY, INDIANA

January 1, 2007 to December 31, 2009



FILED

05/12/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Donald R. Lewis	01-01-03 to 11-14-08
	Patrice Sebree	11-15-08 to 12-08-08
	Fred Ogan	12-08-08 to 12-16-09
	William Evans	12-17-09 to 12-31-10
Chairman of the Township Board	Richard Landgrebe	01-01-07 to 12-31-10



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF RICHLAND TOWNSHIP, MONROE 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

April 15, 2010

RICHLAND TOWNSHIP TOWNSHIP, MONROE COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY 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	\$ 253,888	\$ 98,030	\$ 97,514	\$ 254,404
Dog	104	-	-	104
Township Assistance	55,780	132,223	120,829	67,174
Firefighting	46,839	414,092	230,457	230,474
Park and Recreation	4,659	7,295	5,387	6,567
Cumulative Fire	116,902	106,120	68,798	154,224
Fiduciary Fund:				
Payroll Withholdings	159	38,221	38,023	357
Totals	<u>\$ 478,331</u>	<u>\$ 795,981</u>	<u>\$ 561,008</u>	<u>\$ 713,304</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 254,404	\$ 112,871	\$ 90,594	\$ 276,681
Dog	104	-	-	104
Township Assistance	67,174	172,181	129,474	109,881
Firefighting	230,474	331,056	472,437	89,093
Park and Recreation	6,567	5,515	4,189	7,893
Cumulative Fire	154,224	89,661	68,798	175,087
Fiduciary Fund:				
Payroll Withholdings	357	39,753	35,188	4,922
Totals	<u>\$ 713,304</u>	<u>\$ 751,037</u>	<u>\$ 800,680</u>	<u>\$ 663,661</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 276,681	\$ 95,831	\$ 108,357	\$ 264,155
Dog	104	-	-	104
Township Assistance	109,881	168,247	121,741	156,387
Firefighting	89,093	548,531	636,649	975
Park and Recreation	7,893	8,738	3,973	12,658
Cumulative Fire	175,087	126,778	68,797	233,068
Rainy Day	-	11,835	-	11,835
Fiduciary Fund:				
Payroll Withholdings	4,922	30,609	34,163	1,368
Totals	<u>\$ 663,661</u>	<u>\$ 990,569</u>	<u>\$ 973,680</u>	<u>\$ 680,550</u>

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

RICHLAND TOWNSHIP, MONROE 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.

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.

RICHLAND TOWNSHIP, MONROE COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

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.

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Township contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Township authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

RICHLAND TOWNSHIP, MONROE COUNTY
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were incorrect at December 31, 2007, December 31, 2008, and December 31, 2009. Outstanding checks that should be received in the ledger were not receipted.

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)

NOTICE OF BOARD MEETINGS

A Township Board meeting was held on December 3, 2008, that was not properly advertised, and a notice for the meeting was not posted at the Trustee office.

IC 5-14-1.5-5 states in part:

"(a) Public notice of the date, time, and place of any meetings, executive sessions, or of any rescheduled or reconvened meeting, shall be given at least forty-eight (48) hours (excluding Saturdays, Sundays, and legal holidays) before the meeting . . ."

"(b) Public notice shall be given by the governing body of a public agency by:

- (1) Posting a copy of the notice at the principal office of the public agency holding the meeting or, if not such office exists, at the building where the meeting is to be held; and
- (2) Delivering a notice to all news media which deliver by January 1 an annual written request for such notices for the next succeeding calendar year to the governing body of the public agency. The governing body shall give notice by (1) of the following methods:
 - (A) Depositing the notice in the United States mail with postage prepaid.
 - (B) Transmitting the notice by electronic mail.
 - (C) Transmitting the notice by facsimile (fax) . . ."

RICHLAND TOWNSHIP, MONROE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

CONFLICT OF INTEREST DISCLOSURE

Carol Ogan served as Township Clerk from December 9, 2008 to December 16, 2009. She is the spouse of Fred Ogan, who served as Township Trustee during the same period of time. A Uniform Conflict of Interest Disclosure Statement was not filed.

IC 35-44-1-3 states in part:

"(a) A public servant who knowingly or intentionally: (1) has a pecuniary interest in; or (2) derives a profit from; a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Class D felony . . ."

"(c) This section does not prohibit a public servant from having a pecuniary interest in or deriving a profit from a contract or purchase connected with the governmental entity served . . . (3) if the public servant; (A) is an elected public servant . . . and (B) makes a disclosure under subsection (d)(1) through (d)(6)."

"(d) A disclosure required by this section must: (1) be in writing; (2) describe the contract or purchase to be made by the governmental entity; (3) describe the pecuniary interest that the public servant has in the contract or purchase; (4) be affirmed under penalty of perjury; (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity prior to final action on the contract or purchase; (6) be filed within fifteen (15) days after final action on the contract or purchase with: (A) the state board of accounts; and (B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase . . ."

"(g) A public servant has a pecuniary interest in a contract or purchase if the contract or purchase will result or is intended to result in an ascertainable increase in the income or net worth of: (1) the public servant; or (2) a dependent of the public servant who: (A) is under the direct or indirect administrative control of the public servant; or (B) receives a contract or purchase order that is reviewed, approved, or directly or indirectly administered by the public servant . . ."

"(k) As used in this section, 'dependent' means any of the following: (1) The spouse of a public servant. (2) A child, stepchild, or adoptee (as defined in IC 31-3-4-1) of a public servant who is: (A) unemancipated; and (B) less than eighteen (18) years of age. (3) Any individual more than one-half (2) of whose support is provided during a year by the public servant."

RICHLAND TOWNSHIP, MONROE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 15, 2010, with William Evans, Trustee. The official concurred with our findings.