

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

EXAMINATION REPORT
OF
FAIRMOUNT TOWNSHIP
GRANT COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
05/19/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Charles N. Woodruff	01-01-07 to 12-31-10
Chairman of the Township Board	Morris Kelsay	01-01-08 to 12-31-08
	Ronald Wilson	01-01-09 to 12-31-09
	Morris Kelsay	01-01-10 to 12-31-10



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF FAIRMOUNT TOWNSHIP, GRANT COUNTY, INDIANA

We have examined the financial information presented herein of Fairmount 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

March 29, 2010

FAIRMOUNT TOWNSHIP, GRANT 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	\$ 7,653	\$ 16,729	\$ 18,503	\$ 5,879
Township Assistance	9,991	12,816	15,299	7,508
Firefighting	<u>89,264</u>	<u>50,397</u>	<u>33,198</u>	<u>106,463</u>
Totals	<u>\$ 106,908</u>	<u>\$ 79,942</u>	<u>\$ 67,000</u>	<u>\$ 119,850</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 5,879	\$ 17,347	\$ 17,744	\$ 5,482
Township Assistance	7,508	12,368	13,245	6,631
Firefighting	<u>106,463</u>	<u>43,404</u>	<u>27,453</u>	<u>122,414</u>
Totals	<u>\$ 119,850</u>	<u>\$ 73,119</u>	<u>\$ 58,442</u>	<u>\$ 134,527</u>

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

FAIRMOUNT TOWNSHIP, GRANT 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, 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. All property taxes collected by the County Treasurer and available for distribution were distributed to the Township on or prior to December 31 of the year collected.

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.

FAIRMOUNT TOWNSHIP, GRANT COUNTY
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORT

An Annual Report was not filed with the State Examiner for the year 2009.

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."

INVESTMENTS NOT AUTHORIZED BY STATUTE

The Township originally acquired common stock of the Rochester Telephone Company. Due to buy outs, the Township now holds shares of Global Crossing, Ltd. Adequate information was not presented to determine the current number of shares held by the Township. A similar comment appeared in prior Report B33260.

Investments should only be made in accordance with statute. Expenses related to any unauthorized investments may be the personal obligation of the responsible official or employee.

Losses related to investments and investment procedures which are not authorized by statute may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CAPITAL ASSETS LEDGER

An inventory or record of capital assets was not maintained. A similar comment appeared in prior Report B33260.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

FAIRMOUNT TOWNSHIP, GRANT COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 29, 2010, with Charles N. Woodruff, Trustee.