

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

EXAMINATION REPORT
OF
FAYETTE TOWNSHIP
VIGO COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
09/07/2010

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OFFICIALS

Office

Official

Term

Trustee

Paul Allsup

01-01-07 to 12-31-10

Chairman of the
Township Board

Larry Davison

01-01-08 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 FAYETTE TOWNSHIP, VIGO COUNTY, INDIANA

We have examined the financial information presented herein of Fayette 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 14, 2010

FAYETTE TOWNSHIP, VIGO 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	\$ 14,675	\$ 53,827	\$ 52,597	\$ 15,905
Township Assistance	6,935	7,251	7,133	7,053
Firefighting	5,534	22,834	21,915	6,453
Levy Excess	228	-	-	228
Cumulative Fire	7,216	5,115	2,447	9,884
Rainy Day	-	1,286	-	1,286
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 34,588</u>	<u>\$ 90,313</u>	<u>\$ 84,092</u>	<u>\$ 40,809</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 15,905	\$ 39,593	\$ 58,265	\$ (2,767)
Township Assistance	7,053	4,890	10,482	1,461
Firefighting	6,453	21,664	24,284	3,833
Levy Excess	228	-	-	228
Cumulative Fire	9,884	2,992	2,937	9,939
Rainy Day	1,286	-	-	1,286
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 40,809</u>	<u>\$ 69,139</u>	<u>\$ 95,968</u>	<u>\$ 13,980</u>

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

FAYETTE TOWNSHIP, VIGO 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.

Note 5. Deposits and Investments

Deposits, made in accordance with IC 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.

FAYETTE TOWNSHIP, VIGO COUNTY
EXAMINATION RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES

The Township Fund was overdrawn at December 31, 2009.

The 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)

TRUSTEE COMPENSATION

Paul Allsup, Trustee, received compensation from the Township Fund and the Township Assistance Fund.

IC 36-6-4-3 states in part:

"The executive shall do the following:

- (1) Keep a written record of official proceedings.
- (2) Manage all township property interests.
- (3) Keep township records open for public inspection.
- (4) Attend all meetings of the township legislative body.
- (5) Receive and pay out township funds.
- (6) Examine and settle all accounts and demands chargeable against the township.
- (7) Administer township assistance under IC 12-20 and IC 12-30-4.
- (8) Perform the duties of fence viewer under IC 32-26.
- (9) Provide and maintain cemeteries under IC 23-14.
- (10) Provide fire protection under IC 36-8, except in a township that:
 - (A) is located in a county having a consolidated city; and
 - (B) consolidated the township's fire department under IC 36-3-1-6.1.
- (11) File an annual personnel report under IC 5-11-13.

FAYETTE TOWNSHIP, VIGO COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

- (12) Provide and maintain township parks and community centers under IC 36-10.
- (13) Destroy detrimental plants, noxious weeds, and rank vegetation under IC 15-16-8.
- (14) Provide insulin to the poor under IC 12-20-16.
- (15) Perform other duties prescribed by statute."

The State Board of Accounts is of the audit position that the compensation of a Township Trustee, paid from the Township Fund, is for all duties (other than assessing duties, as authorized by IC 36-6-6-10), as required in IC 36-6-4-3. (Township Bulletin and Uniform Compliance Guidelines, Volume No. 264, February 2004)

PENALTIES AND INTEREST

A penalty of \$253.60 was paid to the Internal Revenue Service on March 9, 2009, for the period ending December 31, 2008.

Penalties and interest totaling \$7.30 were paid to the Indiana Department of Revenue on December 12, 2009, for the period ending December 31, 2008.

Paul Allsup, Trustee, reimbursed the Township in the amount of \$260.90 on April 13, 2010. (See Summary, page 10)

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.

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)

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)

FAYETTE TOWNSHIP, VIGO COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 14, 2010, with Nancy Allsup, Clerk.

FAYETTE TOWNSHIP, VIGO COUNTY
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Paul Allsup, Trustee:			
Penalties and Interest, page 7	\$ 260.90	\$	\$
Paid by Paul Allsup, Trustee, April 13, 2010	<u> </u>	<u>260.90</u>	<u> </u> -
 Totals	 <u>\$ 260.90</u>	 <u>260.90</u>	 <u>\$ </u> -