

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

EXAMINATION REPORT  
OF  
RICHLAND TOWNSHIP  
MIAMI COUNTY, INDIANA  
January 1, 2003 to December 31, 2005



**FILED**  
7/18/06



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report .....	3
Schedules of Receipts, Disbursements, and Cash and Investment Balances.....	4
Notes to Schedules .....	5
Examination Results and Comments:	
Board of Finance .....	6
Payments for Cemetery Care .....	6
Disbursement Documentation .....	6
Federal and State Agencies – Compliance Requirements .....	7
Salaries and Wages.....	7
Exit Conference .....	8

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Clarence West	01-01-03 to 12-31-06
Chairman of the Township Board	Rusty D. Gochenour	01-01-03 to 12-31-06



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF RICHLAND TOWNSHIP, MIAMI COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Richland Township (Township), for the period of January 1, 2003 to December 31, 2005. The Township's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2003, 2004, and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

April 19, 2006

RICHLAND TOWNSHIP, MIAMI COUNTY  
 SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
 ALL GOVERNMENTAL FUND TYPES  
 As Of And For The Years Ended December 31, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 18,575	\$ 10,416	\$ 8,275	\$ 20,716
Dog	386	101	86	401
Township Assistance	11,701	3,105	262	14,544
Firefighting	9,917	12,614	7,131	15,400
Levy Excess	296	-	296	-
Totals	<u>\$ 40,875</u>	<u>\$ 26,236</u>	<u>\$ 16,050</u>	<u>\$ 51,061</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 20,716	\$ 7,726	\$ 8,737	\$ 19,705
Dog	401	70	101	370
Township Assistance	14,544	1,860	-	16,404
Firefighting	15,400	8,412	7,760	16,052
Totals	<u>\$ 51,061</u>	<u>\$ 18,068</u>	<u>\$ 16,598</u>	<u>\$ 52,531</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 19,705	\$ 9,016	\$ 7,755	\$ 20,966
Dog	370	81	78	373
Township Assistance	16,404	1,055	645	16,814
Firefighting	16,052	9,280	8,733	16,599
Levy Excess	-	432	-	432
Totals	<u>\$ 52,531</u>	<u>\$ 19,864</u>	<u>\$ 17,211</u>	<u>\$ 55,184</u>

The accompanying notes are an integral part of the schedules.

RICHLAND TOWNSHIP, MIAMI COUNTY  
NOTES TO SCHEDULES

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.

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.

RICHLAND TOWNSHIP, MIAMI COUNTY  
EXAMINATION RESULTS AND COMMENTS

BOARD OF FINANCE

The minutes presented for audit did not contain information related to the annual meeting of the board of finance or the election of officers to the board of finance. A similar comment was in the prior Examination Report B20657.

Indiana Code 5-13-7-6(a) states in part: "Each local board of finance shall meet annually after the first Monday and on or before the last day of January. At the annual meeting the board of finance shall . . . elect, from the board's membership . . . a president; and a secretary . . . The officers elected hold office until the officers' successors are elected and qualified.

PAYMENTS FOR CEMETERY CARE

Supporting documentation, agreements or contracts for payments for cemetery care were not presented for audit.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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)

DISBURSEMENT DOCUMENTATION

Two payments to the Internal Revenue Service were made in 2004 for \$114.21 and \$68.16 that were over and above the amounts due.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The Township paid \$600 or more for Cemetery Care in 2003, 2004, and 2005. No Federal Form 1099's were issued for these payments as required by the Internal Revenue Service.

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)

SALARIES AND WAGES

The amount of approved salaries and wages was not recorded in the Township Board Minutes. Township Form 17 – Resolution Recommending Salaries of Township Officers and Employees was not presented for audit and was not included in the Township Board Minutes by reference.

Indiana Code 36-6-6-10 requires the Township Board to set the salaries; wages; rates of hourly pay; and remuneration other than statutory allowances of all township officials and employees, except assessing officials and employees, for the year 1985 and each year thereafter. However, please remember the Township Board should record salaries so fixed in the Township Board Minutes. A type of format for recording these salaries should be the existing format of Township Form 17. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

RICHLAND TOWNSHIP, MIAMI COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on April 19, 2006, with Clarence West, Trustee. The official concurred with our findings.