

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

EXAMINATION REPORT

OF

RICHLAND TOWNSHIP

JAY COUNTY, INDIANA

January 1, 2007 to December 31, 2008



FILED

12/22/2009

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OFFICIALS

Office

Official

Term

Trustee

David L. Champ

01-01-07 to 12-31-10

Chairman of the
Township Board

Robert C. Ford

01-01-07 to 12-31-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Richland Township (Township), for the period of January 1, 2007 to December 31, 2008. 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 and 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

October 6, 2009

RICHLAND TOWNSHIP, JAY COUNTY
 SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
 ALL GOVERNMENTAL FUND TYPES
 As Of And For The Years Ended December 31, 2007 And 2008

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 94,280	\$ 45,510	\$ 18,765	\$ 121,025
Dog	519	-	-	519
Township Assistance	173,790	35,221	42,885	166,126
Firefighting	21,623	10,858	8,850	23,631
Park and Recreation	-	16,804	-	16,804
Federal Revenue Sharing	9,563	-	-	9,563
	<u>299,775</u>	<u>108,393</u>	<u>70,500</u>	<u>337,668</u>
Totals	<u>\$ 299,775</u>	<u>\$ 108,393</u>	<u>\$ 70,500</u>	<u>\$ 337,668</u>
	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 121,025	\$ 59,854	\$ 23,902	\$ 156,977
Dog	519	-	519	-
Township Assistance	166,126	53,072	52,349	166,849
Firefighting	23,631	11,748	8,850	26,529
Park and Recreation	16,804	-	16,804	-
Federal Revenue Sharing	9,563	-	2,000	7,563
	<u>337,668</u>	<u>124,674</u>	<u>104,424</u>	<u>357,918</u>
Totals	<u>\$ 337,668</u>	<u>\$ 124,674</u>	<u>\$ 104,424</u>	<u>\$ 357,918</u>

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

RICHLAND TOWNSHIP, JAY 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. 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.

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

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, JAY COUNTY
EXAMINATION RESULTS AND COMMENTS

LISTS OF EMPLOYEES

Officials or employees of the Township had money due from the Township, but no lists of such employees have been certified to the County Treasurer since 2006.

IC 6-1.1-22-14(a) states in part:

"On or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the names and addresses of each person who has money due the person from the political subdivision to the treasurer of each county in which the political subdivision is located."

TOWNSHIP TRUSTEES ANNUAL REPORTS

The 2008 Township Trustees Annual Report incorrectly classified all receipts as General Property Taxes and all disbursements as Other Services and Charges, and completely omitted the Dog Fund and the Park and Recreation Fund.

Governmental units should file accurate reports required by federal and state agencies. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

FUND SOURCES AND USES

All payroll taxes and withholdings were disbursed from the Township General Fund, even though \$2,347.33 of the amounts paid were for taxes and withholdings for the Township Assistance Fund employee.

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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

PAYROLL WITHHOLDINGS

The Township withheld Medicare from employee's salaries at a rate of 1.5% instead of the 1.45% established by federal law. The Township also withheld both the employees' and employer's share of Social Security and Medicare from Township Board members' salaries in 2007. The payments to the Internal Revenue Service were made at the established rates.

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. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PENALTIES AND INTEREST

Penalties and interest totaling \$228.16 were paid to the Internal Revenue Service and Indiana Department of Revenue in December, 2008.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion . . . 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)

RICHLAND TOWNSHIP, JAY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 6, 2009, with David L. Champ, Trustee; and Robert C. Ford, Chairman of the Township Board. The officials concurred with our findings.