

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

EXAMINATION REPORT
OF
CAIN TOWNSHIP
FOUNTAIN COUNTY, INDIANA
January 1, 2007 to December 31, 2009



FILED

04/09/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Gary M. McGrady	01-01-07 to 12-31-10
Chairman of the Township Board	James Clark	01-01-07 to 12-31-07
	Linda Craft	01-01-08 to 12-31-08
	Christina DeFlorio	01-01-09 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF CAIN TOWNSHIP, FOUNTAIN COUNTY, INDIANA

We have examined the financial information presented herein of Cain 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

March 3, 2010

CAIN TOWNSHIP, FOUNTAIN COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL 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	\$ 16,381	\$ 1,579	\$ 6,364	\$ 11,596
Dog	330	-	330	-
Township Assistance	8,690	1,333	3,440	6,583
Firefighting	7,334	6,359	9,044	4,649
Park and Recreation	3,505	3,056	2,509	4,052
Cemetery	4,218	-	-	4,218
Levy Excess	-	146	-	146
Rainy Day	847	-	-	847
Cumulative Fire	51,148	7,420	43,074	15,494
Totals	<u>\$ 92,453</u>	<u>\$ 19,893</u>	<u>\$ 64,761</u>	<u>\$ 47,585</u>
	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 11,596	\$ 1,000	\$ 6,105	\$ 6,491
Township Assistance	6,583	856	2,638	4,801
Firefighting	4,649	5,323	9,000	972
Park and Recreation	4,052	2,621	2,500	4,173
Cemetery	4,218	-	-	4,218
Levy Excess	146	-	-	146
Rainy Day	847	-	-	847
Cumulative Fire	15,494	4,949	-	20,443
Totals	<u>\$ 47,585</u>	<u>\$ 14,749</u>	<u>\$ 20,243</u>	<u>\$ 42,091</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 6,491	\$ 1,230	\$ 6,174	\$ 1,547
Township Assistance	4,801	1,639	4,292	2,148
Firefighting	972	9,608	9,000	1,580
Park and Recreation	4,173	1,058	2,500	2,731
Cemetery	4,218	-	-	4,218
Levy Excess	146	-	-	146
Rainy Day	847	305	-	1,152
Cumulative Fire	20,443	9,428	10,753	19,118
Totals	<u>\$ 42,091</u>	<u>\$ 23,268</u>	<u>\$ 32,719</u>	<u>\$ 32,640</u>

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

CAIN TOWNSHIP, FOUNTAIN 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 (Indiana Code 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). Ordinarily, taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. In 2007, taxes were due June 8 and November 13 and distributed by December 31, 2007. In 2008, taxes were due November 10, 2008, and January 12, 2009, and were distributed February 10, 2009. In 2009, taxes were due July 10 and November 10 and were distributed by December 31, 2009.

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 (Indiana Code 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.

CAIN TOWNSHIP, FOUNTAIN COUNTY
EXAMINATION RESULTS AND COMMENTS

DEPOSIT OF PUBLIC FUNDS

We noted that nineteen distributions examined were not deposited timely.

IC 5-13-6-1(c) states in part: "The public funds collected by township trustees shall be deposited in the designated depository on or before the first and fifteenth day of each month."

DISBURSEMENT DOCUMENTATION

Six of the payments examined did not contain adequate supporting documentation such as contracts, receipts, and invoices.

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)

CAPITAL ASSET RECORDS

The Township purchased \$53,827 worth of firefighting equipment during the examination period. Information presented for examination did not indicate an inventory or record of these purchases.

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 Assets 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)

PRESCRIBED FORMS

The prescribed Application For Township Assistance Form (Form TA-1) was not found for four of the assistance payments examined.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CAIN TOWNSHIP, FOUNTAIN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 3, 2010, with Gary M. McGrady, Trustee.
The official concurred with our findings.