

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

EXAMINATION REPORT
OF
ROCK CREEK TOWNSHIP
WELLS COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
11/06/2006

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OFFICIALS

Office

Official

Term

Trustee

Phyllian Keefer

01-01-03 to 12-31-06

Chairman of the
Township Board

Bruce Imel

01-01-04 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF ROCK CREEK TOWNSHIP, WELLS COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Rock Creek Township (Township), for the period of January 1, 2004 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, 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

October 5, 2006

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

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 21,001	\$ 5,541	\$ 7,943	\$ 18,599
Dog	363	59	63	359
Township Assistance	8,505	6,538	2,382	12,661
Firefighting	26,863	16,572	11,065	32,370
Emergency Ambulance/Medical	46,487	18,411	5,875	59,023
Cumulative Fire	5,595	17,223	9,358	13,460
Totals	<u>\$ 108,814</u>	<u>\$ 64,344</u>	<u>\$ 36,686</u>	<u>\$ 136,472</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 18,599	\$ 4,586	\$ 7,866	\$ 15,319
Dog	359	58	59	358
Township Assistance	12,661	7,766	3,296	17,131
Firefighting	32,370	14,837	12,425	34,782
Emergency Ambulance/Medical	59,023	12,861	6,677	65,207
Cumulative Fire	13,460	12,282	10,300	15,442
Totals	<u>\$ 136,472</u>	<u>\$ 52,390</u>	<u>\$ 40,623</u>	<u>\$ 148,239</u>

The accompanying notes are an integral part of the schedules.

ROCK CREEK TOWNSHIP, WELLS 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. 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.

Note 6. Financial Statement Restatement

The January 1, 2004, Township Assistance Fund balance has been restated. The prior report erroneously included the sale of an investment in the receipts and subsequently was included in the December 31, 2003, balance for \$11,068.

ROCK CREEK TOWNSHIP, WELLS COUNTY
EXAMINATION RESULTS AND COMMENTS

INVESTMENT MATURITY LIMITATIONS

The Township purchased a \$30,000 certificate of deposit on May 17, 2004, which has a stated maturity in excess of two years.

Indiana Code 5-13-9-5.6 states in part: ". . . investments made under this chapter must have a stated final maturity of not more than . . . two (2) years . . . after the date of purchase or entry into a repurchase agreement."

DISBURSEMENT DOCUMENTATION

Payments were made to the Trustee for telephone charges which did not contain adequate supporting documentation such as receipts and invoices. A similar comment appeared in prior Report B23414.

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)

MILEAGE REIMBURSEMENT

The Trustee was reimbursed for mileage without filing Mileage Claim, General Form 101. A similar comment appeared in prior Report B23414.

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)

CONFLICT OF INTEREST DISCLOSURE

Ralph Keefer, Clerk, is the spouse of Phyllian Keefer, Trustee. A Uniform Conflict of Interest Disclosure Statement does not appear to have been filed. A similar comment appeared in prior Report B23414.

Indiana Code 35-44-1-3 states in part:

"(a) A public servant who knowingly or intentionally: (1) has a pecuniary interest in; or (2) derives a profit from; a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Class D felony. . . ."

ROCK CREEK TOWNSHIP, WELLS COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

"(c) This section does not prohibit a public servant from having a pecuniary interest in or deriving a profit from a contract or purchase connected with the governmental entity served . . . (3) if the public servant; (A) is an elected public servant . . . and (B) makes a disclosure under subsection (d)(1) through (d)(6)."

"(d) A disclosure required by this section must: (1) be in writing; (2) describe the contract or purchase to be made by the governmental entity; (3) describe the pecuniary interest that the public servant has in the contract or purchase; (4) be affirmed under penalty of perjury; (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity prior to final action on the contract or purchase; (6) be filed within fifteen (15) days after final action on the contract or purchase with: (A) the state board of accounts; and (B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase . . ."

"(g) A public servant has a pecuniary interest in a contract or purchase if the contract or purchase will result or is intended to result in an ascertainable increase in the income or net worth of: (1) the public servant; or (2) a dependent of the public servant who: (A) is under the direct or indirect administrative control of the public servant; or (B) receives a contract or purchase order that is reviewed, approved, or directly or indirectly administered by the public servant. . . ."

"(k) As used in this section, 'dependent' means any of the following: (1) The spouse of a public servant. (2) A child, stepchild, or adoptee (as defined in IC 31-3-4-1) of a public servant who is: (A) unemancipated; and (B) less than eighteen (18) years of age. (3) Any individual more than one-half (1/2) of whose support is provided during a year by the public servant."

APPROPRIATIONS

The expenditures for the Cumulative Fire fund exceeded the budgeted amount by \$358 in 2004 and \$1,300 in 2005.

IC 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

ROCK CREEK TOWNSHIP, WELLS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 5, 2006, with Phyllian Keefer, Trustee. The official concurred with our findings.