

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

EXAMINATION REPORT
OF
GIBSON TOWNSHIP
WASHINGTON COUNTY, INDIANA
January 1, 2005 to December 31, 2006



FILED
09/21/2007

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information.....	5
Supplementary Information:	
Schedule of Long-Term Debt.....	6
Examination Results and Comments:	
Capital Asset Records	7
Internal Controls	7
Fees	7
Exit Conference	8

OFFICIALS

Office

Official

Term

Trustee

David A. Weaver

01-01-03 to 12-31-10

Chairman of the
Township Board

Steve Johnson

01-01-05 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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 GIBSON TOWNSHIP, WASHINGTON COUNTY, INDIANA

We have examined the financial information presented herein of Gibson Township (Township), for the period of January 1, 2005 to December 31, 2006. 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, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

June 25, 2007

GIBSON TOWNSHIP, WASHINGTON COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Township	\$ 10,011	\$ 17,452	\$ 13,373	\$ 14,090
Dog	343	64	57	350
Township Assistance	5,484	5,164	674	9,974
Firefighting	44,449	18,331	21,159	41,621
Rainy Day	599	-	-	599
Fire Debt	11,581	14,984	19,134	7,431
Totals	<u>\$ 72,467</u>	<u>\$ 55,995</u>	<u>\$ 54,397</u>	<u>\$ 74,065</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 14,090	\$ 20,397	\$ 13,867	\$ 20,620
Dog	350	95	445	-
Township Assistance	9,974	4,496	408	14,062
Firefighting	41,621	14,573	27,528	28,666
Rainy Day	599	-	-	599
Fire Debt	7,431	8,209	13,888	1,752
Totals	<u>\$ 74,065</u>	<u>\$ 47,770</u>	<u>\$ 56,136</u>	<u>\$ 65,699</u>

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

GIBSON TOWNSHIP, WASHINGTON 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. 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.

GIBSON TOWNSHIP, WASHINGTON COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT

December 31, 2006

Description of Debt	Ending Balance	Due Within One Year
Governmental Activities: Notes and loans payable	\$ <u>13,379</u>	\$ <u>13,379</u>

GIBSON TOWNSHIP, WASHINGTON COUNTY
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

Information presented for examination did not indicate an inventory or record of capital assets. Gibson Township does not have a detailed listing of any capital assets owned and held at the firehouse.

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)

INTERNAL CONTROLS

Information presented for examination indicates that Gibson Township does not account for the funds generated by the Gibson Township Volunteer Fire Department for rental of the firehouse. Funds received from rental are deposited into the Gibson Township Volunteer Fire Department bank accounts with no records or funds being turned over to Gibson Township. The firehouse is owned by the Township.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (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)

FEES

The rental fees collected for use of the Gibson Township Firehouse have not been approved by the Township Board.

Fees should only be collected as specifically authorized by statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

GIBSON TOWNSHIP, WASHINGTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 25, 2007, with David A. Weaver, Trustee. The official concurred with our findings.