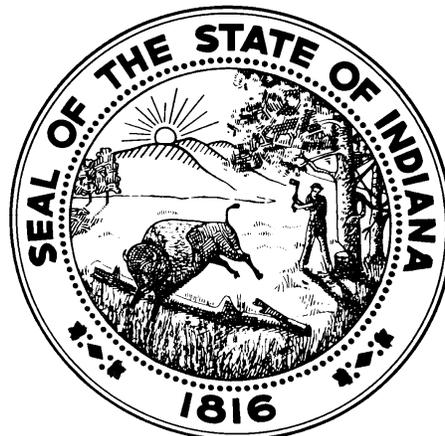


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
RANDOLPH TOWNSHIP  
TIPPECANOE COUNTY, INDIANA  
January 1, 2005 to December 31, 2006



**FILED**  
12/28/2007



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OFFICIALS

Office

Official

Term

Trustee

Marcella Maynard

01-01-03 to 12-31-10

Chairman of the  
Township Board

Daniel Korty

01-01-05 to 12-31-07



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF RANDOLPH TOWNSHIP, TIPPECANOE COUNTY, INDIANA

We have examined the financial information presented herein of Randolph 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.

STATE BOARD OF ACCOUNTS

October 9, 2007

RANDOLPH TOWNSHIP, TIPPECANOE 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	\$ 27,949	\$ 43,446	\$ 37,030	\$ 34,365
Dog	521	137	221	437
Township Assistance	3,859	1,223	936	4,146
Firefighting	73,701	40,261	39,793	74,169
Rainy Day	85	-	-	85
Levy Excess	-	1,473	-	1,473
Fire Debt	4,672	10,366	10,003	5,035
Cumulative Fire	<u>60,112</u>	<u>13,005</u>	<u>230</u>	<u>72,887</u>
Totals	<u>\$ 170,899</u>	<u>\$ 109,911</u>	<u>\$ 88,213</u>	<u>\$ 192,597</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 34,365	\$ 43,127	\$ 32,572	\$ 44,920
Dog	437	175	137	475
Township Assistance	4,146	1,106	588	4,664
Firefighting	74,169	39,600	35,770	77,999
Rainy Day	85	-	-	85
Levy Excess	1,473	2,302	-	3,775
Fire Debt	5,035	123	5,243	(85)
Cumulative Fire	<u>72,887</u>	<u>12,414</u>	<u>355</u>	<u>84,946</u>
Totals	<u>\$ 192,597</u>	<u>\$ 98,847</u>	<u>\$ 74,665</u>	<u>\$ 216,779</u>

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

RANDOLPH TOWNSHIP, TIPPECANOE 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.

RANDOLPH TOWNSHIP, TIPPECANOE COUNTY  
EXAMINATION RESULTS AND COMMENTS

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

W-2s issued for 2006 to the Township Trustee and the Township Clerk reported net wages instead of gross wages. The result was an under reporting of wages for the Township Trustee of \$650 and an under reporting of wages for the Township Clerk of \$134.

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)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

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)

PENALTIES, INTEREST, AND OTHER CHARGES

Payments to the Internal Revenue Service (IRS) for payroll withholdings were not timely and were not for the correct amounts. The Township was assessed a penalty on December 26, 2006, of \$1,256.60 for failure to file W-2s for 2003. There were no remittances to the IRS for the 3rd and 4th quarters of 2005. Withholdings for 2006 were not remitted to the IRS until February of 2007. The nonpayment of 2005 3rd and 4th quarter withholdings and the late payment of 2006 withholdings, will likely result in significant amounts of penalties and interest to be assessed against the Township by the IRS.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

RANDOLPH TOWNSHIP, TIPPECANOE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

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)

BANK ACCOUNT RECONCILIATIONS

Reconciliations of the fund balances to the bank account balances were not completed.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OVERDRAWN CASH BALANCES

The cash balance of the Fire Debt Fund was overdrawn \$85 at December 31, 2006.

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

RANDOLPH TOWNSHIP, TIPPECANOE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 9, 2007, with Marcella Maynard, Trustee. The official concurred with our findings.