

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

EXAMINATION REPORT  
OF  
RESERVE TOWNSHIP  
PARKE COUNTY, INDIANA  
January 1, 2006 to December 31, 2007



**FILED**  
12/15/2008



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Linda Baird	01-01-03 to 12-31-06
	Rachel Blacketer	01-01-07 to 12-31-10
Chairman of the Township Board	Frank Willhite	01-01-06 to 12-31-06
	Robert Vincent	01-01-07 to 12-31-07
	Jane Vincent	01-01-08 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF RESERVE TOWNSHIP, PARKE COUNTY, INDIANA

We have examined the financial information presented herein of Reserve Township (Township), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

October 27, 2008

RESERVE TOWNSHIP, PARKE COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 49,221	\$ 15,360	\$ 11,256	\$ 53,325
Dog	463	140	163	440
Township Assistance	31,342	5,764	4,182	32,924
Firefighting	23,541	12,630	9,355	26,816
Levy Excess	402	-	402	-
Totals	<u>\$ 104,969</u>	<u>\$ 33,894</u>	<u>\$ 25,358</u>	<u>\$ 113,505</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 53,325	\$ 16,007	\$ 11,777	\$ 57,555
Dog	440	-	440	-
Township Assistance	32,924	5,939	2,888	35,975
Firefighting	26,816	12,149	11,122	27,843
Levy Excess	-	618	-	618
Totals	<u>\$ 113,505</u>	<u>\$ 34,713</u>	<u>\$ 26,227</u>	<u>\$ 121,991</u>

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

RESERVE TOWNSHIP, PARKE 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.

Note 7. Subsequent Event

On August 20, 2008, the Advisory Board voted to pay \$26,475 for new playground equipment for Aztec Park, a park owned by the Town of Montezuma. In order to fund this initiative, the Trustee transferred \$20,000 from Township Assistance to Township General.

RESERVE TOWNSHIP, PARKE COUNTY  
EXAMINATION RESULT AND COMMENT

APPROPRIATIONS

The records presented for examination indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Firefighting	2007	<u>\$ 1,022</u>

Indiana Code 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."

RESERVE TOWNSHIP, PARKE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 23, 2008, with Linda Baird, former Trustee. The official concurred with our finding.

The contents of this report were discussed on October 27, 2008, with Rachel Blacketer, Trustee. The official concurred with our finding.