

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

EXAMINATION REPORT
OF
TURKEY CREEK TOWNSHIP
KOSCIUSKO COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
01/22/2009

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OFFICIALS

Office

Official

Term

Trustee

Barbara A. Griffith

01-01-03 to 12-31-10

Chairman of the
Township Board

Arlen Bobeck

01-01-06 to 12-31-08



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF TURKEY CREEK TOWNSHIP, KOSCIUSKO COUNTY, INDIANA

We have examined the financial information presented herein of Turkey Creek 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.

The Schedule of Capital Assets, 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

December 11, 2008

TURKEY CREEK TOWNSHIP, KOSCIUSKO 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	\$ 105,436	\$ 43,053	\$ 53,952	\$ 94,537
Dog	900	653	818	735
Township Assistance	103,659	51,861	73,369	82,151
Firefighting	324,502	250,709	344,499	230,712
Park and Recreation	6,380	2,427	6,003	2,804
Levy Excess	-	1,428	-	1,428
Cumulative Fire	<u>260,662</u>	<u>161,908</u>	<u>17,569</u>	<u>405,001</u>
Totals	<u>\$ 801,539</u>	<u>\$ 512,039</u>	<u>\$ 496,210</u>	<u>\$ 817,368</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 94,537	\$ 95,111	\$ 107,614	\$ 82,034
Dog	735	-	5	730
Township Assistance	82,151	47,408	69,395	60,164
Firefighting	230,712	636,808	776,762	90,758
Park and Recreation	2,804	6,078	8,850	32
Levy Excess	1,428	-	-	1,428
Cumulative Fire	<u>405,001</u>	<u>107,339</u>	<u>205,314</u>	<u>307,026</u>
Totals	<u>\$ 817,368</u>	<u>\$ 892,744</u>	<u>\$ 1,167,940</u>	<u>\$ 542,172</u>

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

TURKEY CREEK TOWNSHIP, KOSCIUSKO 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 (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.

TURKEY CREEK TOWNSHIP, KOSCIUSKO COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For the Year Ended December 31, 2007

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 79,815
Buildings	477,305
Machinery and equipment	<u>940,395</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 1,497,515</u>

TURKEY CREEK TOWNSHIP, KOSCIUSKO COUNTY
EXAMINATION RESULTS AND COMMENTS

INTEREST ON INVESTMENTS

Interest earned on investments in some instances was automatically added to the principal and not recorded in the records. The increase in the investment value without a corresponding receipt results in inaccurate financial statements. Interest of \$17,870 and \$8,270 was added to receipts for 2006 and 2007, respectively, to properly report the increase in the investment balances during the examination years. A similar comment was included in the prior Report B28216.

Interest on investments should not be automatically added into the investment. Instead, interest on investments should be paid to the governmental unit at each maturity date and posted to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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>\$ 162,362</u>

A similar comment was included in the prior Report B28216.

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."

PENALTIES, INTEREST, AND OTHER CHARGES

Penalties and interest totaling \$766.92 and \$59.31 were paid to the Internal Revenue Service and Indiana Department of Revenue, respectively, during the examination period for the periods September 2005, December 2005, May 2006, and January 2007. A similar comment was included in the prior Report B28216. The amounts were repaid by the Trustee. (See Summary, page 9)

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)

TURKEY CREEK TOWNSHIP, KOSCIUSKO COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 11, 2008, with Barbara A. Griffith, Trustee. The official concurred with our findings.

TURKEY CREEK TOWNSHIP, KOSCIUSKO COUNTY
SUMMARY

	Charge	Credits	Balance Due
Barbara A. Griffith, Trustee:			
Penalties, Interest, and Other Charges, page 7	\$ 826.23	\$	\$
Paid by Barbara A. Griffith			
November 24, 2008, Check No. 4183		826.23	-
 Totals	\$ 826.23	\$ 826.23	\$ -