

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

EXAMINATION REPORT
OF
RICHLAND TOWNSHIP
WHITLEY COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
11/03/2006

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OFFICIALS

Office

Official

Term

Trustee

Steve Gebert

01-01-03 to 12-31-06

Chairman of the
Township Board

Eddie Myers

01-01-04 to 12-31-06



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF RICHLAND TOWNSHIP, WHITLEY COUNTY, INDIANA

We have examined the financial information presented herein of Richland Township (Township), for the period of January 1, 2004 to December 31, 2005. 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 present fairly, in all material respects, the financial information 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 12, 2006

RICHLAND TOWNSHIP, WHITLEY 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	\$ 55,866	\$ 41,290	\$ 38,944	\$ 58,212
Dog	895	514	595	814
Township Assistance	30,306	5,950	1,523	34,733
Firefighting	24,940	48,496	54,160	19,276
Park and Recreation	5,504	6,424	2,777	9,151
Community Building	2,852	6,572	6,246	3,178
Cumulative Fire	41,867	15,435	11,858	45,444
Totals	<u>\$ 162,230</u>	<u>\$ 124,681</u>	<u>\$ 116,103</u>	<u>\$ 170,808</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 58,212	\$ 29,081	\$ 51,824	\$ 35,469
Dog	814	512	513	813
Township Assistance	34,733	3,769	1,969	36,533
Firefighting	19,276	49,741	42,062	26,955
Park and Recreation	9,151	3,998	3,044	10,105
Community Building	3,178	8,340	6,274	5,244
Library	-	31,131	15,000	16,131
Cumulative Fire	45,444	27,874	59,801	13,517
Totals	<u>\$ 170,808</u>	<u>\$ 154,446</u>	<u>\$ 180,487</u>	<u>\$ 144,767</u>

The accompanying notes are an integral part of the schedules.

RICHLAND TOWNSHIP, WHITLEY 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.

RICHLAND TOWNSHIP, WHITLEY COUNTY
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

The Cumulative Fire Fund's expenditures exceeded budgeted appropriations by \$5,273 in 2005.

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."

TEMPORARY LOAN

A temporary loan of \$15,000 was made June 30, 2005, from the General Fund to the Library Fund and not repaid by June 30, 2006.

Indiana Code 36-1-8-4 concerning temporary loans states in part:

"(a) . . . (3) Except as provided in subsection (b), the prescribed period must end during the budget year of the year in which the transfer occurs. (4) The amount transferred must be returned to the other fund at the end of the prescribed period. . . ."

"(b) If the fiscal body of a political subdivision determines that an emergency exists that requires an extension of the prescribed period of a transfer under this section, the prescribed period may be extended for not more than six (6) months beyond the budget year of the year in which the transfer occurs if the fiscal body does the following: (1) Passes an ordinance or a resolution that contains the following: (A) A statement that the fiscal body has determined that an emergency exists. (B) A brief description of the grounds for the emergency. (C) The date the loan will be repaid that is not more than six (6) months beyond the budget year in which the transfer occurs. (2) Immediately forwards the ordinance or resolution to the state board of accounts and the Department of Local Government Finance."

RICHLAND TOWNSHIP, WHITLEY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 12, 2006, with Steve Gebert, Trustee. The official concurred with our findings.