

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

EXAMINATION REPORT
OF
RICHLAND TOWNSHIP
WHITLEY COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED

12/31/2008

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
Examination Results and Comments:	
Personal Expenses.....	6
Excessive or Unreasonable Costs.....	6
Capital Assets Ledger	6
Exit Conference.....	7
Summary	8

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Steven C. Gebert	01-01-03 to 12-31-10
Chairman of the Township Board	Eddie D. Myers Bradley D. Gebert	01-01-06 to 12-31-07 01-01-08 to 12-31-08



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 RICHLAND TOWNSHIP, WHITLEY COUNTY, INDIANA

We have examined the financial information presented herein of Richland 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

November 20, 2008

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, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 35,469	\$ 39,595	\$ 42,770	\$ 32,294
Dog	813	809	513	1,109
Township Assistance	36,533	2,474	1,732	37,275
Firefighting	26,955	44,421	45,715	25,661
Park and Recreation	10,105	2,994	4,662	8,437
Community Building	5,244	7,154	6,680	5,718
Levy Excess	-	2,638	-	2,638
Library	16,131	16,413	30,572	1,972
Cumulative Fire	13,517	24,041	17,177	20,381
Totals	<u>\$ 144,767</u>	<u>\$ 140,539</u>	<u>\$ 149,821</u>	<u>\$ 135,485</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 32,294	\$ 36,258	\$ 42,196	\$ 26,356
Dog	1,109	-	-	1,109
Township Assistance	37,275	2,430	2,718	36,987
Firefighting	25,661	39,745	53,890	11,516
Park and Recreation	8,437	2,859	4,399	6,897
Community Building	5,718	6,703	6,229	6,192
Levy Excess	2,638	-	2,638	-
Library	1,972	-	1,972	-
Cumulative Fire	20,381	24,539	2,236	42,684
Totals	<u>\$ 135,485</u>	<u>\$ 112,534</u>	<u>\$ 116,278</u>	<u>\$ 131,741</u>

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

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

PERSONAL EXPENSES

The Township paid \$44.99 in December of 2006 and \$44.99 in December of 2007 for "Turbotax Deluxe" software. The Trustee stated that the software was used to produce W-2 and 1099 forms. This version of "Turbotax" software is used for individual income tax preparation and does not have the capability to generate W-2 and 1099 forms. The Trustee was requested to reimburse the Township \$89.98 (See Summary, page 8)

On November 5, 2008, the Trustee disclosed that a laptop computer purchased by the Township was being temporarily used by his daughter at Purdue University. The laptop was subsequently observed on hand in the Trustee's office on November 17, 2008.

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

EXCESSIVE OR UNREASONABLE COSTS

The Township paid \$1,642 on December 11, 2006, for a new computer (PC) and 50 feet of ethernet cable for the Trustee's office. Subsequently, on June 5, 2007, the Township also purchased a laptop computer, including 100 feet of ethernet cable, a top load ballistic nylon rolling case and an extended three year express no-fault warranty totaling \$1,698 to be used by the Trustee as a Fire Department training tool and backup for the Trustee's computer (PC).

Every effort should be made by the governmental unit to avoid unreasonable or excessive costs. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CAPITAL ASSETS LEDGER

The capital assets ledger presented for examination was incomplete. Capital asset additions and deletions for the years 2006 and 2007 were not recorded on the ledger. Fire Department machinery and equipment was listed as one lump sum and was an estimate of purchase cost.

A digital camera was purchased for the fire department, on December 15, 2006, which could not be located during an observation of equipment on November 17, 2008.

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)

RICHLAND TOWNSHIP, WHITLEY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 20, 2008, with Steven C. Gebert, Trustee.

RICHLAND TOWNSHIP, WHITLEY COUNTY
SUMMARY

	Charges	Credits	Balance Due
Steven C. Gebert, Trustee:			
Personal Expenses, page 6	\$ 89.98	\$	\$
Reimbursed November 21, 2008		89.98	-
Totals	\$ 89.98	\$ 89.98	\$ -