

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

SPECIAL INVESTIGATION REPORT

OF

NORTH BEND TOWNSHIP

STARKE COUNTY, INDIANA

January 1, 2012 to December 31, 2015



**FILED**  
03/06/2017



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Transmittal Letter .....	3
Special Investigation Result and Comment: Utility Reimbursements.....	4
Exit Conference.....	5
Summary of Charges .....	6

## SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Rutherford Byron Walters	01-01-11 to 12-31-18
Chairman of the Township Board	Samuel J. Bailey	01-01-12 to 12-31-12
	Joseph Walters	01-01-13 to 12-31-14
	Paul M. Sellers	01-01-15 to 12-31-15
	Samuel J. Bailey	01-01-16 to 12-31-16



# STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF NORTH BEND TOWNSHIP, STARKE COUNTY

We have conducted a special investigation of the records of North Bend Township (Township), for the period from January 1, 2012 to December 31, 2015. Our investigation was limited to all records applicable to Township disbursements. The purpose of our investigation was to determine if the accountability for cash and other assets are satisfactory and the transactions related thereto are in compliance with the laws and regulations of the State of Indiana. The results of our investigation are fully described in the Special Investigation Result and Comment and Summary of Charges as listed in the Table of Contents.

Any Official Response included in this report has not been examined or verified for its accuracy.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

November 23, 2016

NORTH BEND TOWNSHIP, STARKE COUNTY  
SPECIAL INVESTIGATION RESULT AND COMMENT

**UTILITY REIMBURSEMENTS**

The Township office is located in the residence of the Trustee. The Township paid the Trustee \$2,500 per year for use of his home as the Township office. Additionally, Township funds were used to reimburse the Trustee for electric service. The following details the reimbursements paid to the Trustee for electric service:

<u>Years</u>	<u>Amount</u>
2012	\$ 232.60
2013	260.91
2014	<u>768.83</u>
Total	<u>\$ 1,262.34</u>

IC 36-6-8-3 states in part(a):

"The annual appropriations to a township executive for the expenses of renting an office and telephone and telegraph expenses must, as nearly as is possible, be equal to the actual cost of those items. If the township executive uses a part of the executive's residence for an office, the township legislative body shall appropriate a reasonable sum for that office space."

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 unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

We requested that Rutherford Byron Walters, Trustee, to reimburse the Township \$1,262.34 for the additional reimbursements he received for the cost of electric service for 2012 through 2014. He reimbursed the Township \$1,262.34 on November 25, 2016. (See Summary of Charges, page 6)

NORTH BEND TOWNSHIP, STARKE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on November 23, 2016, with Rutherford Byron Walters, Trustee.

NORTH BEND TOWNSHIP, STARKE COUNTY  
SUMMARY OF CHARGES

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Rutherford Byron Walters, Trustee: Utility Reimbursements, page 4	<u>\$ 1,262.34</u>	<u>\$ 1,262.34</u>	<u>\$ -</u>