

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

EXAMINATION REPORT

OF

SANDCREEK TOWNSHIP

DECATUR COUNTY, INDIANA

January 1, 2002 to December 31, 2005



FILED
7/26/06

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OFFICIALS

Office

Official

Term

Trustee

Paul A. Gatewood

01-01-99 to 12-31-06

Chairman of the
Township Board

James Harrison

01-01-02 to 12-31-06



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF SANDCREEK TOWNSHIP, DECATUR COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Sandcreek Township (Township), for the period of January 1, 2002 to December 31, 2005. The Township's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2002, 2003, 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

June 20, 2006

SANDCREEK TOWNSHIP, DECATUR COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2002, 2003, 2004, And 2005

	Cash and Investments 01-01-02	Receipts	Disbursements	Cash and Investments 12-31-02
Governmental Funds:				
General	\$ 61,121	\$ 58,618	\$ 49,667	\$ 70,072
Dog	392	276	92	576
Township Assistance	34,878	21,410	11,415	44,873
Firefighting	42,362	60,988	62,000	41,350
Park and Recreation	13,130	11,951	7,000	18,081
Totals	<u>\$ 151,883</u>	<u>\$ 153,243</u>	<u>\$ 130,174</u>	<u>\$ 174,952</u>

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 70,072	\$ 13,802	\$ 52,220	\$ 31,654
Dog	576	386	678	284
Township Assistance	44,873	149	9,971	35,051
Firefighting	41,350	24,612	64,000	1,962
Park and Recreation	18,081	134	8,500	9,715
Totals	<u>\$ 174,952</u>	<u>\$ 39,083</u>	<u>\$ 135,369</u>	<u>\$ 78,666</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 31,654	\$ 73,931	\$ 54,628	\$ 50,957
Dog	284	274	45	513
Township Assistance	35,051	29,069	14,263	49,857
Firefighting	1,962	70,038	72,000	-
Park and Recreation	9,715	18,127	13,000	14,842
Totals	<u>\$ 78,666</u>	<u>\$ 191,439</u>	<u>\$ 153,936</u>	<u>\$ 116,169</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 50,957	\$ 79,939	\$ 66,789	\$ 64,107
Dog	513	335	225	623
Township Assistance	49,857	27,833	15,160	62,530
Firefighting	-	75,955	75,955	-
Park and Recreation	14,842	16,938	9,827	21,953
Levy Excess	-	1,341	-	1,341
Totals	<u>\$ 116,169</u>	<u>\$ 202,341</u>	<u>\$ 167,956</u>	<u>\$ 150,554</u>

The accompanying notes are an integral part of the schedules.

SANDCREEK TOWNSHIP, DECATUR COUNTY
NOTES TO SCHEDULES

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.

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.

SANDCREEK TOWNSHIP, DECATUR COUNTY
NOTES TO SCHEDULES
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Township contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Township authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

SANDCREEK TOWNSHIP, DECATUR COUNTY
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not presented for audit.

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

CAPITAL ASSET RECORDS

Information presented for audit did not indicate an inventory or record of capital assets using Form 369.

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 Asset 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)

SANDCREEK TOWNSHIP, DECATUR COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 20, 2006, with Paul A. Gatewood, Trustee. The official concurred with our findings.