

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

EXAMINATION REPORT  
OF  
BEARCREEK TOWNSHIP  
JAY COUNTY, INDIANA  
January 1, 2004 to December 31, 2005



**FILED**  
10/10/2006



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Alan W. Campbell	01-01-03 to 12-31-06
Chairman of the Township Board	Stephen W. Fennig	01-01-04 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF BEARCREEK TOWNSHIP, JAY COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Bearcreek Township (Township), for the period of January 1, 2004 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, 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

August 29, 2006

BEARCREEK TOWNSHIP, JAY COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY 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	\$ 58,982	\$ 23,354	\$ 32,074	\$ 50,262
Dog	967	794	780	981
Township Assistance	19,399	3,770	1,356	21,813
Firefighting	21,546	13,426	9,800	25,172
Fiduciary Fund:				
H.D.V. Licenses	-	2,750	2,750	-
Totals	<u>\$ 100,894</u>	<u>\$ 44,094</u>	<u>\$ 46,760</u>	<u>\$ 98,228</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 50,262	\$ 23,381	\$ 36,998	\$ 36,645
Dog	981	754	743	992
Township Assistance	21,813	5,585	1,870	25,528
Firefighting	25,172	13,682	10,123	28,731
Levy Excess	-	348	-	348
Fiduciary Fund:				
H.D.V. Licenses	-	3,121	3,116	5
Totals	<u>\$ 98,228</u>	<u>\$ 46,871</u>	<u>\$ 52,850</u>	<u>\$ 92,249</u>

The accompanying notes are an integral part of the schedules.

BEARCREEK TOWNSHIP, JAY 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. 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.

BEARCREEK TOWNSHIP, JAY COUNTY  
EXAMINATION RESULT AND COMMENT

PUBLIC WORKS PROJECT

Bearcreek Township, during 2004 and 2005, contracted with Reuben Wickey for roof replacement on the Community Building. The total amount paid to Reuben Wickey was \$30,600. There was no evidence presented for audit that sealed bids were requested or received.

Indiana Code 36-1-12-4(a) states in part: "This section applies whenever the cost of a public work project will be: (1) at least seventy-five thousand dollars (\$75,000) in: (A) a consolidated city or second class city; or (B) a county containing a consolidated city or second class city; (2) at least fifty thousand dollars (\$50,000) in: (A) a third class city or town with a population of more than five thousand (5,000), or (B) a county containing a third class city or town with a population of more than five thousand (5,000); or (3) at least twenty-five thousand dollars (\$25,000) in a political subdivision or an agency not described in subdivision (1) or (2)."

Indiana Code 36-1-12-4(b) states in part: "The board must comply with the following procedure: (1) The board shall prepare general plans and specifications describing the kind of public work required, but shall avoid specifications which might unduly limit competition . . . (2) The board shall file the plans and specifications in a place reasonably accessible to the public, which shall be specified in the notice required by subdivision (3). (3) Upon the filing of the plans and specifications, the board shall publish notice in accordance with IC 5-3-1 calling for sealed proposals for the public work needed . . ."

BEARCREEK TOWNSHIP, JAY COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on August 29, 2006, with Alan W. Campbell, Trustee. The official concurred with our finding.