

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

EXAMINATION REPORT
OF
OTTER CREEK TOWNSHIP
RIPLEY COUNTY, INDIANA
January 1, 2003 to December 31, 2005



FILED
12/20/2006

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OFFICIALS

Office

Official

Term

Trustee

Cynthia Melton

01-01-03 to 12-31-06

Chairman of the
Township Board

A. Wayne Hull
Ray E. Tucker

01-01-03 to 12-31-03
01-01-04 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF OTTER CREEK TOWNSHIP, RIPLEY COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Otter Creek Township (Township), for the period of January 1, 2003 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, 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

October 31, 2006

OTTER CREEK TOWNSHIP, RIPLEY 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, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 17,669	\$ 3,326	\$ 13,311	\$ 7,684
Dog	524	234	223	535
Township Assistance	9,418	483	3,318	6,583
Firefighting	1,990	9,708	4,000	7,698
Fiduciary Fund:				
Payroll Withholdings	-	1,471	1,082	389
Totals	<u>\$ 29,601</u>	<u>\$ 15,222</u>	<u>\$ 21,934</u>	<u>\$ 22,889</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 7,684	\$ 19,944	\$ 21,406	\$ 6,222
Dog	535	191	647	79
Township Assistance	6,583	4,324	8,805	2,102
Firefighting	7,698	13,666	21,000	364
Rainy Day	-	30	-	30
Fiduciary Fund:				
Payroll Withholdings	389	1,420	1,306	503
Totals	<u>\$ 22,889</u>	<u>\$ 39,575</u>	<u>\$ 53,164</u>	<u>\$ 9,300</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 6,222	\$ 14,666	\$ 18,076	\$ 2,812
Dog	79	224	-	303
Township Assistance	2,102	3,698	2,565	3,235
Firefighting	364	14,751	13,000	2,115
Rainy Day	30	17	-	47
Fiduciary Fund:				
Payroll Withholdings	503	2,203	2,065	641
Totals	<u>\$ 9,300</u>	<u>\$ 35,559</u>	<u>\$ 35,706</u>	<u>\$ 9,153</u>

The accompanying notes are an integral part of the schedules.

OTTER CREEK TOWNSHIP, RIPLEY 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 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.

OTTER CREEK TOWNSHIP, RIPLEY COUNTY
EXAMINATION RESULTS AND COMMENTS

ASSESSING EXPENSE PAID FROM TOWNSHIP FUNDS

The Trustee was reimbursed for travel expenses during the examination period related to assessment of property from the Township's General Fund.

No part of the expense of assessing is to be paid from township funds. (Township Bulletin and Uniform Compliance Guidelines, February 1996)

SALARY APPROVAL

The Township did not use Form 17 (Resolution Recommending Salaries of Township Officers and Employees) to document salary approvals for Township officers and employees.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OFFICIAL BOND

There was no official bond on file in the Office of the County Recorder for Cynthia Melton, Trustee.

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder . . ."

DONATION FOR CONSTRUCTION OF BUILDING FOR FOOD PANTRY

The Township made a \$5,000 donation in 2004 from the General Fund to Ripley County for the construction of a building to be used as a food pantry.

Governmental funds should not be donated or given to other organization, individuals, or governmental units unless specifically authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

TOWNSHIP ASSISTANCE PROCEDURES

We found the following deficiencies regarding the processing of Township Assistance applications:

(A) Fourteen percent of Applications for Township Assistance (Form TA-1) reviewed were not completed.

(B) One hundred percent of Forms TA-1 reviewed showed that no investigations were being performed to determine if applicants qualified to receive township assistance.

Indiana Code 12-20-6-8(c) states in part: "An application for township assistance is not considered complete until all adult members of the requesting household have signed: (1) the poor relief application; and (2) any other form, instrument, or document: (A) required by law; or (B) determined necessary for investigative purposes by the trustee . . ."

OTTER CREEK TOWNSHIP, RIPLEY COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Indiana Code 12-20-6-9 states in part: "If an application for township assistance is made to the township trustee . . . the township trustee . . . shall carefully investigate the circumstances of the applicant and each member of the applicant's household . . ."

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OVERPAYMENT OF MILEAGE REIMBURSEMENTS

The following was noted in reviewing the reimbursements for mileage paid to Cynthia Melton, Trustee:

- (1) The Mileage Claim (General Form 101) was not properly prepared. The claims did not show the rate per mile and was not properly totaled. Also, on the 2005 Mileage Claim, Mrs. Melton made an entry for the total annual miles driven to the local post office; instead of, listing each trip separately.

Mileage Claim Form Number 101 shall be properly completed, listing dates of authorized travel, details of travel, miles traveled, nature of business, etc., for reimbursements for mileage before payment is made. (Accounting and Uniform Compliance Guidelines Manual for Townships. Chapter 1)

- (2) After recalculating the Mileage Claims with the approved mileage rates and comparing the amount of reimbursement actually paid, we noted that Mrs. Melton was paid more in mileage reimbursements than entitled. The following schedule shows a comparison of the amount Mrs. Melton was entitled to the actual amount received:

<u>Year</u>	<u>Mileage Entitled</u>	<u>Mileage Paid</u>	<u>Amount Overpaid</u>
2003	\$ 87.92	\$ 200.00	\$ 112.08
2004	199.92	200.00	0.08
2005	<u>152.70</u>	<u>300.00</u>	<u>147.30</u>
Totals	<u>\$ 440.54</u>	<u>\$ 700.00</u>	<u>\$ 259.46</u>

Indiana Code 36-6-8-3(b) states in part: "The township executive is entitled to a sum for mileage in the performance of official duties equal to the sum per mile paid to state officers and employees . . ."

Cynthia Melton, Trustee, at our request, refunded \$259.46 to the Township's General Fund on October 26, 2006. (See Summary, page 9)

OTTER CREEK TOWNSHIP, RIPLEY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 31, 2006, with Cynthia Melton, Trustee.

OTTER CREEK TOWNSHIP, RIPLEY COUNTY
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Cynthia Melton, Trustee:			
Overpayment of Mileage Reimbursements, page 7	\$ 259.46	\$	\$
Deposited October 26, 2006	<u> </u>	<u>259.46</u>	<u> </u> -
Totals	<u>\$ 259.46</u>	<u>\$ 259.46</u>	<u>\$</u> <u> </u> -