

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

EXAMINATION REPORT
OF
SUGAR CREEK TOWNSHIP
MONTGOMERY COUNTY, INDIANA
January 1, 2005 to December 31, 2006



FILED
07/18/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Sandra L. Gable	01-01-03 to 12-31-10
Chairman of the Township Board	Gayle Lough	01-01-05 to 12-31-05
	John Gable	01-01-06 to 12-31-06
	Charles Anderson	01-01-07 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF SUGAR CREEK TOWNSHIP, MONTGOMERY COUNTY, INDIANA

We have examined the financial information presented herein of Sugar Creek Township (Township), for the period of January 1, 2005 to December 31, 2006. 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, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

May 22, 2007

SUGAR CREEK TOWNSHIP, MONTGOMERY COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Township	\$ 7,710	\$ 13,762	\$ 16,643	\$ 4,829
Township Assistance	6,201	319	292	6,228
Firefighting	21,098	6,851	12,960	14,989
Cumulative Fire	9,489	6,837	4,000	12,326
Park and Recreation	495	808	1,100	203
Dog	207	64	259	12
Totals	<u>\$ 45,200</u>	<u>\$ 28,641</u>	<u>\$ 35,254</u>	<u>\$ 38,587</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 4,829	\$ 18,777	\$ 17,682	\$ 5,924
Township Assistance	6,228	-	565	5,663
Firefighting	14,989	9,326	16,111	8,204
Cumulative Fire	12,326	6,187	6,392	12,121
Park and Recreation	203	2,184	2,387	-
Dog	12	513	525	-
Levy Excess	-	339	-	339
Totals	<u>\$ 38,587</u>	<u>\$ 37,326</u>	<u>\$ 43,662</u>	<u>\$ 32,251</u>

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

SUGAR CREEK TOWNSHIP, MONTGOMERY 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.

SUGAR CREEK TOWNSHIP, MONTGOMERY COUNTY
NOTES TO FINANCIAL INFORMATION
(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.

SUGAR CREEK TOWNSHIP, MONTGOMERY COUNTY
EXAMINATION RESULTS AND COMMENTS

FIREFIGHTING EQUIPMENT PURCHASE

The Township has entered into an agreement to purchase a new rescue truck jointly with another Township and other entities; however the title to the equipment is not in the Township's name.

Any two or more townships desiring to unite in the purchase, housing, care, maintenance, operation and use of firefighting equipment may purchase such equipment by executing conditional sales or mortgage contracts, notes, or bonds. The two or more townships may jointly employ firemen to fight fires and operate the equipment. The title to equipment purchased jointly shall vest and remain in the respective townships in proportion to their respective contributions toward purchase. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 9)

COMPENSATION AND BENEFITS

Township employees and Township Board members received payments in 2005 and 2006 which were not included on a salary ordinance or resolution, or prescribed Township Form 17.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 17)

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)

SUGAR CREEK TOWNSHIP, MONTGOMERY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 22, 2007, with Sandra L. Gable, Trustee. The official concurred with our findings.