

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

EXAMINATION REPORT

OF

BUCK CREEK TOWNSHIP

HANCOCK COUNTY, INDIANA

January 1, 2006 to December 31, 2007



FILED

08/27/2008

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5-6
Supplementary Information:	
Schedule of Long-Term Debt	7
Examination Results and Comments:	
List of Employees Not Filed with County Treasurer	8
Form 100-R.....	8
Capital Asset Records	8
Appropriations.....	9
Official Bond	9
Overdrawn Cash Balance.....	9
Exit Conference.....	10

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Melvin Branson	01-01-03 to 12-31-10
Chairman of the Township Board	Sebrena Chambers Brett Vail	01-01-06 to 12-31-06 01-01-07 to 12-31-08



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF BUCK CREEK TOWNSHIP, HANCOCK COUNTY, INDIANA

We have examined the financial information presented herein of Buck Creek Township (Township), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

July 23, 2008

BUCK CREEK TOWNSHIP, HANCOCK 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, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 74,297	\$ 103,640	\$ 106,551	\$ 71,386
Dog	1,701	1,401	3,102	-
Township Assistance	14,409	-	3,267	11,142
Firefighting	52,417	1,262,108	1,276,324	38,201
Park and Recreation	42,634	20,668	20,030	43,272
Rainy Day	44,107	-	25,000	19,107
Fire Debt	3,734	21,952	18,458	7,228
Fire Equipment Debt	(5,299)	182,112	186,892	(10,079)
Cumulative Fire	924	74,935	71,913	3,946
Fiduciary Fund:				
Payroll Withholdings	-	171,717	171,717	-
Totals	<u>\$ 228,924</u>	<u>\$ 1,838,533</u>	<u>\$ 1,883,254</u>	<u>\$ 184,203</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 71,386	\$ 100,935	\$ 123,113	\$ 49,208
Township Assistance	11,142	21,709	5,846	27,005
Firefighting	38,201	1,377,430	1,395,538	20,093
Park and Recreation	43,272	-	7,154	36,118
Rainy Day	19,107	-	19,107	-
Fire Debt	7,228	11,588	18,459	357
Fire Equipment Debt	(10,079)	227,805	244,785	(27,059)
Cumulative Fire	3,946	-	3,764	182
Fiduciary Fund:				
Payroll Withholdings	-	188,917	188,917	-
Totals	<u>\$ 184,203</u>	<u>\$ 1,928,384</u>	<u>\$ 2,006,683</u>	<u>\$ 105,904</u>

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

BUCK CREEK TOWNSHIP, HANCOCK 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).

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.

BUCK CREEK TOWNSHIP, HANCOCK COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

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.

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.

BUCK CREEK TOWNSHIP
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Notes and loans payable	316,163	336,648
Total governmental activities debt	<u>\$ 316,163</u>	<u>\$ 336,648</u>

BUCK CREEK TOWNSHIP, HANCOCK COUNTY
EXAMINATION RESULTS AND COMMENTS

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

Officials or employees of the Township had money due from the Township, but a list of such employees was not certified to the County Treasurer for either 2006 or 2007.

Indiana Code 6-1.1-22-14(a) states in part: "On or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the names and addresses of each person who has money due from the political subdivision to the treasurer of each county in which the political subdivision is located."

FORM 100-R

The Township did not file Form 100R with the State Board of Accounts by January 31, 2007.

Each year during the month of January each township must complete a Certified Report of Names, Addresses, Duties and Compensation of Public Employees Form 100R and send the same properly certified to the State Examiner of the State Board of Accounts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

CAPITAL ASSET RECORDS

An inventory of capital assets was presented for examination; however, the prescribed or approved Form 369, Capital Asset Ledger, was not in use. Additionally, the inventory maintained did not contain information for land and buildings, historical or estimated cost of assets, estimated life of assets, date of purchase, or updated listings for additions and deletions. Assets are not identified with capital asset tags.

Every governmental unit should have a complete inventory of all capital assets owned which reflects 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)

BUCK CREEK TOWNSHIP, HANCOCK COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

APPROPRIATIONS

The records presented for examination indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
Firefighting	2006	\$ 48,018
Fire Equipment Debt	2006	11,893
Cumulative Fire	2007	3,765

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

OFFICIAL BOND

The official bond for the Township Trustee was not filed in the Office of the County Recorder:

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 . . ."

OVERDRAWN CASH BALANCE

The cash balance of the Fire Equipment Debt Fund was overdrawn in 2006 and 2007.

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

BUCK CREEK TOWNSHIP, HANCOCK COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 23, 2008, with Melvin Branson, Trustee. The official concurred with our findings.