

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

EXAMINATION REPORT
OF
PRAIRIE CREEK TOWNSHIP
VIGO COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
05/14/2010

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OFFICIALS

Office

Official

Term

Trustee

Doyle Piety

01-01-07 to 12-31-10

Chairman of the
Township Board

Allan Hodges

01-01-08 to 12-31-10



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF PRAIRIE CREEK TOWNSHIP, VIGO COUNTY, INDIANA

We have examined the financial information presented herein of Prairie Creek Township (Township), for the period of January 1, 2008 to December 31, 2009. 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, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

April 12, 2010

PRAIRIE CREEK TOWNSHIP, VIGO 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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 13,956	\$ 17,528	\$ 16,630	\$ 14,854
Township Assistance	15,421	2,571	3,960	14,032
Firefighting	19,290	38,426	38,403	19,313
Cumulative Fire	29,843	8,110	18,426	19,527
Park & Recreation	1,629	525	500	1,654
Fiduciary Fund:				
Payroll Withholding	507	437	507	437
Totals	<u>\$ 80,646</u>	<u>\$ 67,597</u>	<u>\$ 78,426</u>	<u>\$ 69,817</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 14,854	\$ 61,327	\$ 32,408	\$ 43,773
Township Assistance	14,032	2,817	2,988	13,861
Firefighting	19,313	2,324	21,637	-
Cumulative Fire	19,527	15,000	34,527	-
Park & Recreation	1,654	534	1,000	1,188
Fiduciary Fund:				
Payroll Withholding	437	763	437	763
Totals	<u>\$ 69,817</u>	<u>\$ 82,765</u>	<u>\$ 92,997</u>	<u>\$ 59,585</u>

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

PRAIRIE CREEK TOWNSHIP, VIGO 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: 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.

PRAIRIE CREEK TOWNSHIP, VIGO COUNTY
EXAMINATION RESULTS AND COMMENTS

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>
Township	2008	\$ 430
Firefighting	2008	2,403
Township	2009	16,059

IC 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."

ELECTRONIC ANNUAL REPORT

The Township prepared a manual version of the Annual Report for 2009 but did not use the prescribed electronic format.

IC 5-11-1-4 states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be filed electronically, in a manner prescribed by the state examiner that is compatible with the technology employed by the political subdivision."

PENALTIES AND INTEREST

Penalties and interest totaling \$48 were paid to the Internal Revenue Service in 2009 for the period ending December 31, 2008.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PRAIRIE CREEK TOWNSHIP, VIGO COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

TELEPHONE RENTAL

The Township reimburses the Trustee for telephone rental, but the telephone number is listed in the Trustee's name and is not listed or billed as the number for the Township.

The rental of a telephone in the trustee's office may be paid from the Township Fund when the telephone is listed in the name of the township, such that the telephone is exempt from excise and sales tax. (Accounting and Uniform Compliance Guidelines for Townships, Chapter 1)

The township trustee shall ensure adequate access to township assistance services, including a published telephone number in the name of the township. (Accounting and Uniform Compliance Guidelines for Townships, Chapter 1)

TRUSTEE COMPENSATION

The Township Trustee was paid for cleaning the firehouse and community center in addition to the Trustee's salary.

IC 36-6-4-3 states in part: "The executive shall do the following: . . . manage all township property interests; and . . . provide and maintain township parks and community centers under IC 36-10 . . ."

The State Board of Accounts is of the audit position that the compensation of a Township Trustee, paid from the Township Fund, is for all duties (other than assessing duties, as authorized by IC 36-6-6-10), as required in IC 36-6-4-3. (Township Bulletin and Uniform Compliance Guidelines Volume 264, February 2004)

We requested that Doyle Piety, Township Trustee, reimburse \$960 to the Township. He agreed to reimburse the \$960 by December 31, 2010, the ending date of his current term.

PRAIRIE CREEK TOWNSHIP, VIGO COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 12, 2010, with Doyle Piety, Trustee.