

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

BUCK CREEK TOWNSHIP

HANCOCK COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED

05/03/2012

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OFFICIALS

Office

Official

Term

Trustee

Melvin Branson

01-01-07 to 12-31-14

Chairman of the
Township Board

Brent Vail
(Vacant)

01-01-10 to 02-28-12
02-29-12 to current



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial statements of Buck Creek Township (Township), for the period of January 1, 2010 to December 31, 2011. The Township's management is responsible for the financial statements. 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 statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis noted above is a different basis than that used in the prior year.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Township for the years ended December 31, 2010 and 2011, on the basis of accounting described in Note 1.

The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Township's management, Township Board, and others within the entity, and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

March 29, 2012

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FINANCIAL STATEMENTS

The financial statements and accompanying notes were approved by management of the Township.
The financial statements and notes are presented as intended by the Township.

BUCK CREEK TOWNSHIP, HANCOCK COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Township	\$ 35,574	\$ 111,288	\$ 140,643	\$ 6,219
Township Assistance	8,801	10,315	18,242	874
Fire Fighting	103,519	1,759,732	1,844,725	18,526
Cumulative Fire	13,967	111,748	125,417	298
Fire Debt	157,422	266,165	282,000	141,587
Rainy Day	99,741	190,883	213,160	77,464
Grant	-	26,898	26,898	-
Emergency Fire Loan	8,957	429,386	431,067	7,276
Recreation	5,259	21,455	26,019	695
Payroll Deductions	-	239,145	252,439	(13,294)
Totals	<u>\$ 433,240</u>	<u>\$ 3,167,015</u>	<u>\$ 3,360,610</u>	<u>\$ 239,645</u>

The notes to the financial statements are an integral part of this statement.

BUCK CREEK TOWNSHIP, HANCOCK COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
Township	\$ 6,219	\$ 105,406	\$ 111,625	\$ -
Township Assistance	874	23,701	18,942	5,633
Fire Fighting	18,526	2,025,723	2,027,356	16,893
Rainy Day	77,464	-	77,464	-
Cumulative Fire	298	108,663	106,871	2,090
Non Appropriated	-	40,926	40,926	-
Emergency Fire Loan	7,276	446,788	454,064	-
Fire Debt	141,587	270,672	282,000	130,259
Payroll Deductions	(13,294)	234,386	221,113	(21)
Recreation	695	31,004	31,698	1
Totals	<u>\$ 239,645</u>	<u>\$ 3,287,269</u>	<u>\$ 3,372,059</u>	<u>\$ 154,855</u>

The notes to the financial statements are an integral part of this statement.

BUCK CREEK TOWNSHIP, HANCOCK COUNTY
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Township was established under the laws of the State of Indiana. The Township operates under a township trustee/township board form of government and provides some or all of the following services: public safety (fire), health and social services (township assistance), culture and recreation (parks and/or community centers), and general administrative services (weed and dog control).

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include, but are not limited to, the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Township.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, financial institution tax received from the state, auto excise surtax received from the state, and commercial vehicle excise tax received from the state.,

Charges for services which can include, but are not limited to the following: copies of public records, emergency medical service fees, and rental fees.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; and fiduciary receipts.

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

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include, but are not limited to, the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the Township. It includes all expenditures for the reduction of the principal and interest of the Township's general obligation indebtedness.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The Township may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the Township. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Township. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Township in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

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

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Township submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Township in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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 statutes authorize 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 5. Risk Management

The Township may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Township to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the Township by recording as a disbursement any replacement items purchased.

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is 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 Indiana Public Retirement System (INPRS) 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 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS 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:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

B. 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

INPRS 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:

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy

The contribution requirements of plan members and the Township are established by the Board of Trustees of INPRS.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Township's 2010 Annual Report can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the Township's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the Township which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the Township. It is presented as intended by the Township.

BUCK CREEK TOWNSHIP, HANCOCK COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	Township	Township Assistance	Fire Fighting	Cumulative Fire	Fire Debt	Rainy Day
Cash and investments - beginning	\$ 35,574	\$ 8,801	\$ 103,519	\$ 13,967	\$ 157,422	\$ 99,741
Receipts:						
Taxes	110,999	10,315	503,139	111,748	266,165	29,769
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	372,716	-	-	-
Other receipts	289	-	883,877	-	-	161,114
Total receipts	<u>111,288</u>	<u>10,315</u>	<u>1,759,732</u>	<u>111,748</u>	<u>266,165</u>	<u>190,883</u>
Disbursements:						
Personal services	62,932	-	1,024,382	-	-	-
Supplies	18,102	3,000	127,032	-	-	60,365
Other services and charges	59,609	15,242	693,311	-	282,000	94,536
Capital outlay	-	-	-	125,417	-	58,259
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>140,643</u>	<u>18,242</u>	<u>1,844,725</u>	<u>125,417</u>	<u>282,000</u>	<u>213,160</u>
Excess (deficiency) of receipts over disbursements	<u>(29,355)</u>	<u>(7,927)</u>	<u>(84,993)</u>	<u>(13,669)</u>	<u>(15,835)</u>	<u>(22,277)</u>
Cash and investments - ending	<u>\$ 6,219</u>	<u>\$ 874</u>	<u>\$ 18,526</u>	<u>\$ 298</u>	<u>\$ 141,587</u>	<u>\$ 77,464</u>

BUCK CREEK TOWNSHIP, HANCOCK COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Grant	Emergency Fire Loan	Recreation	Payroll Deductions	Totals
Cash and investments - beginning	\$ -	\$ 8,957	\$ 5,259	\$ -	\$ 433,240
Receipts:					
Taxes	-	429,386	21,455	-	1,482,976
Intergovernmental	26,898	-	-	-	26,898
Charges for services	-	-	-	-	372,716
Other receipts	-	-	-	239,145	1,284,425
Total receipts	<u>26,898</u>	<u>429,386</u>	<u>21,455</u>	<u>239,145</u>	<u>3,167,015</u>
Disbursements:					
Personal services	-	-	1,800	252,439	1,341,553
Supplies	-	-	12,563	-	221,062
Other services and charges	26,898	431,067	11,656	-	1,614,319
Capital outlay	-	-	-	-	183,676
Other disbursements	-	-	-	-	-
Total disbursements	<u>26,898</u>	<u>431,067</u>	<u>26,019</u>	<u>252,439</u>	<u>3,360,610</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(1,681)</u>	<u>(4,564)</u>	<u>(13,294)</u>	<u>(193,595)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 7,276</u>	<u>\$ 695</u>	<u>\$ (13,294)</u>	<u>\$ 239,645</u>

BUCK CREEK TOWNSHIP, HANCOCK COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	Township	Township Assistance	Fire Fighting	Rainy Day	Cumulative Fire	Non Appropriated
Cash and investments - beginning	\$ 6,219	\$ 874	\$ 18,526	\$ 77,464	\$ 298	\$ -
Receipts:						
Taxes	41,560	21,509	280,510	-	102,172	-
Intergovernmental	62,756	2,192	146,422	-	6,491	-
Charges for services	-	-	380,862	-	-	-
Other receipts	1,090	-	1,217,929	-	-	40,926
Total receipts	<u>105,406</u>	<u>23,701</u>	<u>2,025,723</u>	<u>-</u>	<u>108,663</u>	<u>40,926</u>
Disbursements:						
Personal services	56,648	336	1,036,417	-	-	-
Supplies	8,538	17,078	705,880	-	-	-
Other services and charges	45,942	1,528	241,198	77,114	-	40,926
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	497	-	43,861	350	106,871	-
Total disbursements	<u>111,625</u>	<u>18,942</u>	<u>2,027,356</u>	<u>77,464</u>	<u>106,871</u>	<u>40,926</u>
Excess (deficiency) of receipts over disbursements	<u>(6,219)</u>	<u>4,759</u>	<u>(1,633)</u>	<u>(77,464)</u>	<u>1,792</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 5,633</u>	<u>\$ 16,893</u>	<u>\$ -</u>	<u>\$ 2,090</u>	<u>\$ -</u>

BUCK CREEK TOWNSHIP, HANCOCK COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Emergency Fire Loan	Fire Debt	Payroll Deductions	Recreation	Totals
Cash and investments - beginning	\$ 7,276	\$ 141,587	\$ (13,294)	\$ 695	\$ 239,645
Receipts:					
Taxes	402,497	254,502	1,773	24,790	1,129,313
Intergovernmental	44,291	16,170	-	6,214	284,536
Charges for services	-	-	-	-	380,862
Other receipts	-	-	232,613	-	1,492,558
Total receipts	<u>446,788</u>	<u>270,672</u>	<u>234,386</u>	<u>31,004</u>	<u>3,287,269</u>
Disbursements:					
Personal services	-	-	221,113	-	1,314,514
Supplies	-	-	-	-	731,496
Other services and charges	-	4,850	-	31,698	443,256
Debt service - principal and interest	454,064	277,150	-	-	731,214
Capital outlay	-	-	-	-	151,579
Total disbursements	<u>454,064</u>	<u>282,000</u>	<u>221,113</u>	<u>31,698</u>	<u>3,372,059</u>
Excess (deficiency) of receipts over disbursements	<u>(7,276)</u>	<u>(11,328)</u>	<u>13,273</u>	<u>(694)</u>	<u>(84,790)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 130,259</u>	<u>\$ (21)</u>	<u>\$ 1</u>	<u>\$ 154,855</u>

BUCK CREEK TOWNSHIP, HANCOCK COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2011

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
2 Staff Cars and Miscellaneous Equipment	\$ 52,163	\$ 19,226
Fire Truck	208,412	74,741
Bonds payable:		
General obligation bonds:		
Fire Station	<u>3,020,000</u>	<u>282,000</u>
Total governmental activities debt	<u>\$ 3,280,575</u>	<u>\$ 375,967</u>

BUCK CREEK TOWNSHIP, HANCOCK COUNTY
OTHER REPORT

The report presented herein was prepared in addition to another official report prepared for the individual Township office listed below:

Township Trustee

BUCK CREEK TOWNSHIP, HANCOCK COUNTY
EXAMINATION RESULTS AND COMMENTS

FEDERAL PENALTIES AND INTEREST- QUESTIONED COST

The Internal Revenue Service (IRS) assessed penalty and interest charges for late payment of taxes. The total during the examination period was \$1,954.26 and was comprised of \$1,749.02 in penalties and \$205.24 in interest.

- The IRS notice for the quarter ended March 31, 2008, was filed in error and additional taxes and interest were due to the IRS. The interest paid was \$205.24.
- The IRS notice for the quarter ended September 30, 2009, indicated a penalty of \$442.42 for late payments throughout the quarter.
- The IRS notice for the quarter ended March 31, 2009, indicated there was a penalty of \$1,306.60, but also stated the Township had overpaid the taxes for this quarter by \$403.94. The remaining amount from this notice was \$902.66 which was paid by applying it to an overpayment for the period ended June 30, 2010.

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)

See the Summary of Questioned Costs on page 26 for a detail of amount questioned.

APPLICATIONS FOR TOWNSHIP ASSISTANCE - INCOMPLETE

Township assistance recipients were required to complete the Application for Township Assistance (Form TA-1), but the Township Trustee accepted some applications that were incomplete. Some of the Form TA-1s were not fully completed by the applicant. In 2010, there were twenty-six families receiving assistance, but three recipients did not have an application on file and five other applications reviewed were significantly incomplete. These applications were missing required information, such as, social security numbers, signatures, case numbers, and work dates. In 2011, one application was not presented for examination.

Additionally, the last page of the Form TA-1 was not completed by the Trustee's office. The last page of the Form TA-1 documents the amount and type of assistance approved by the Trustee, any required work to be completed by the recipient, and the case investigation record. No other written documentation was presented for the investigation performed. We examined all 2010 applicant files and noted only two files contained the required supporting documentation for income.

Application for Township Assistance is to be completed by each person who applies for township assistance. The trustee has the power to administer oaths. Any person expressing a desire for assistance shall be permitted to apply, whether or not the trustee believes the person to be eligible. Each completed form must be filed in the trustee's office, whether or not relief is granted on the application. The trustee shall

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

not extend aid to persons or families unless an affidavit setting forth the personal condition of the family has been filed within one hundred eighty (180) days prior to the date of the extension of aid. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 6)

Indiana Code 12-20-6-1(b) states:

"An individual filing an application and affidavit on behalf of a household must provide the names of all household members and any information necessary for determining the household's eligibility for township assistance. The application must be on the form prescribed by the state board of accounts."

Indiana Code 12-20-7-1 states in part:

"(a) Each applicant and each adult member of the applicant's household seeking township assistance must consent to a disclosure and release of information about the applicant and the applicant's household before township assistance may be provided by the township trustee. The consent must be made by signing a form prescribed by the state board of accounts. The form must include the following:

- (1) The applicant's name, case number, and address.
- (2) The types of information being solicited, including the following:
 - (A) Countable income.
 - (B) Countable assets.
 - (C) Wasted resources.
 - (D) Relatives capable of providing assistance.
 - (E) Past or present employment.
 - (F) Pending claims or causes of action.
 - (G) A medical condition if relevant to work or workfare requirements.
 - (H) Any other information required by law.
- (3) The names of individuals, agencies, and township trustee offices that will receive the information . . ."

Indiana Code 12-20-7-3 states in part:

"Upon request of the township trustee, the employer of a township assistance applicant or a member of the applicant's household shall provide the township trustee with information concerning salary or wages earned by the applicant or household member for purposes of determining the financial eligibility of the household to receive township assistance."

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

POOR RELIEF GUIDELINES FOR ASSISTANCE

Assistance provided to applicants was not based on written guidelines, but provided based on the Trustee's determination using the 1997 guidelines and state statutes. The Buck Creek Township Poor Relief Guidelines for Assistance (Guidelines) were adopted by the Township Board on January 13, 1997. Due to age, the Guidelines were no longer applicable. Since the calculations and standards for providing assistance were not written, it was not possible to determine if assistance was being provided uniformly to all persons requesting assistance.

Indiana Code 12-20-5.5-1 states:

"(a) The township trustee shall process all applications for township assistance according to uniform written standards and without consideration of the race, creed, nationality, or gender of the applicant or any member of the applicant's household.

(b) The township's standards for the issuance of township assistance and the processing of applications must be:

- (1) governed by the requirements of this article;
- (2) proposed by the township trustee, adopted by the township board, and filed with the board of county commissioners;
- (3) reviewed and updated annually to reflect changes in the cost of basic necessities in the township and changes in the law;
- (4) published in a single written document, including addenda attached to the document; and
- (5) posted in a place prominently visible to the public in all offices of the township trustee where township assistance applications are taken or processed."

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

COMPENSATION AND BENEFITS

During our review of payroll, several issues were identified as follows:

- The Township Board members were not paid through payroll. Instead, they were paid similarly to vendors, and issued a Form 1099 for their annual compensation amounts.
- The Salary Resolution for 2011 included totals for several firefighters which did not agree with the ending amounts paid. This variance was due to combining the Buck Creek Township fire department with another fire department during 2011. The changes made to firefighter's salary were not included in an amendment to the salary resolution or approved in the minutes. This resulted in the Township Board not formally approving the rates of pay for these firefighters.

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

- The hourly rates for Firefighter EMT and Firefighter Paramedic were not approved in the 2011 Salary Resolution.

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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)

BOARD MINUTES

There were several months when no minutes were presented for examination and we could not determine if meetings were conducted or not. During 2010, no minutes were presented for February, May, August, and November. Additionally, in 2011 no minutes were presented for the months of February through August and December. During other examination work, we determined there was a meeting held in June 2011 when an additional appropriation was approved, but there were no minutes of this meeting.

A similar comment appeared in prior Report B36456.

Indiana Code 5-14-1.5-4(b) states:

"As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes taken, by individual members if there is a roll call.
- (5) Any additional information required under IC 5-1.5-2-2.5"

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. This comment was reported in the last two reports, most recently in prior Report B36456.

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 and the township executive shall certify the name and address of each person who has money due the person from the political subdivision to the treasurer of each county in which the political subdivision is located."

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

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. A similar comment appeared in prior Report B36456.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Assets 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
EXIT CONFERENCE

The contents of this report were discussed on March 29, 2012, with Melvin Branson, Trustee, and Gene Springer, Board member. The officials concurred with our findings.

BUCK CREEK TOWNSHIP, HANCOCK COUNTY
SUMMARY OF QUESTIONED COSTS

	<u>Questioned Costs</u>
Federal Penalties and Interest, page 20	\$ <u>1,954.26</u>

A questioned cost is a cost that is questioned by the Board of Accounts because of (a) an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds; (b) a finding that, at the time of the audit, such cost is not supported by adequate documentation; or (c) a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.

This report was forwarded to the local prosecuting attorney.