

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

PIKE TOWNSHIP

WARREN COUNTY, INDIANA

January 1, 2010 to December 31, 2011



**FILED**  
05/24/2013



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Edie Foust Heather Perry	01-01-07 to 12-31-10 01-01-11 to 12-31-14
Chairman of the Township Board	Eric Shideler Carla Lincicum	01-01-10 to 12-31-10 01-01-11 to 12-31-13



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF PIKE TOWNSHIP, WARREN COUNTY, INDIANA

We have examined the accompanying financial statements of Pike Township (Township), for the period of January 1, 2010 to December 31, 2011. The financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on the financial statements 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 effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Township for the period of January 1, 2010 to December 31, 2011.

The Township's financial statements and notes are not presented in accordance with reporting requirements established by the State Board of Accounts. The Township's financial statements presented do not include all receipts and disbursements of the Township for the period being examined. Presentation of such statements and notes summarizing the Township's financial position and the results of its operations is required by state statute (IC 5-11-1-6).

INDEPENDENT ACCOUNTANT'S REPORT  
(Continued)

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in all material respects, the financial position and results of operations of the Township for the period of January 1, 2010 to December 31, 2011, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Township's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, 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.

STATE BOARD OF ACCOUNTS

January 24, 2013

## 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.

PIKE TOWNSHIP, WARREN 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	\$ 22,753	\$ 8,976	\$ 19,181	\$ 12,548
Township Assistance	2,873	-	2,089	784
Fire Fighting	40,252	6,469	8,000	38,721
Levy Excess	369	34	-	403
Rainy Day	856	764	-	1,620
Totals	<u>\$ 67,103</u>	<u>\$ 16,243</u>	<u>\$ 29,270</u>	<u>\$ 54,076</u>

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

PIKE TOWNSHIP, WARREN 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	\$ 12,548	\$ 1,512	\$ -	\$ 14,060
Township Assistance	784	-	-	784
Fire Fighting	38,721	-	8,000	30,721
Rainy Day	1,620	-	800	820
Levy Excess	403	-	-	403
Totals	<u>\$ 54,076</u>	<u>\$ 1,512</u>	<u>\$ 8,800</u>	<u>\$ 46,788</u>

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

PIKE TOWNSHIP, WARREN 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).

The accompanying financial statements present the financial information for the Township.

*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 include 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), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Township.

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; internal service receipts; and fiduciary receipts.

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements include the following uses:

PIKE TOWNSHIP, WARREN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

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.

**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.

PIKE TOWNSHIP, WARREN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

**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.

## 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/](http://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.

PIKE TOWNSHIP, WARREN 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	Levy Excess	Rainy Day	Totals
Cash and investments - beginning	\$ 22,753	\$ 2,873	\$ 40,252	\$ 369	\$ 856	\$ 67,103
Receipts:						
Taxes	8,769	-	6,469	34	764	16,036
Other receipts	207	-	-	-	-	207
Total receipts	<u>8,976</u>	<u>-</u>	<u>6,469</u>	<u>34</u>	<u>764</u>	<u>16,243</u>
Disbursements:						
Personal services	3,500	400	-	-	-	3,900
Supplies	136	-	-	-	-	136
Other services and charges	15,545	-	8,000	-	-	23,545
Other disbursements	-	1,689	-	-	-	1,689
Total disbursements	<u>19,181</u>	<u>2,089</u>	<u>8,000</u>	<u>-</u>	<u>-</u>	<u>29,270</u>
Excess (deficiency) of receipts over disbursements	<u>(10,205)</u>	<u>(2,089)</u>	<u>(1,531)</u>	<u>34</u>	<u>764</u>	<u>(13,027)</u>
Cash and investments - ending	<u>\$ 12,548</u>	<u>\$ 784</u>	<u>\$ 38,721</u>	<u>\$ 403</u>	<u>\$ 1,620</u>	<u>\$ 54,076</u>

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

	<u>Township</u>	<u>Township Assistance</u>	<u>Fire Fighting</u>	<u>Rainy Day</u>	<u>Levy Excess</u>	<u>Totals</u>
Cash and investments - beginning	\$ 12,548	\$ 784	\$ 38,721	\$ 1,620	\$ 403	\$ 54,076
Receipts:						
Taxes	<u>1,512</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,512</u>
Disbursements:						
Personal services	-	-	8,000	-	-	8,000
Other disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>800</u>	<u>-</u>	<u>800</u>
Total disbursements	<u>-</u>	<u>-</u>	<u>8,000</u>	<u>800</u>	<u>-</u>	<u>8,800</u>
Excess (deficiency) of receipts over disbursements	<u>1,512</u>	<u>-</u>	<u>(8,000)</u>	<u>(800)</u>	<u>-</u>	<u>(7,288)</u>
Cash and investments - ending	<u>\$ 14,060</u>	<u>\$ 784</u>	<u>\$ 30,721</u>	<u>\$ 820</u>	<u>\$ 403</u>	<u>\$ 46,788</u>

PIKE TOWNSHIP, WARREN COUNTY  
EXAMINATION RESULTS AND COMMENTS

***OVERPAYMENT OF SALARY AND RENT***

Heather Perry, Trustee, wrote checks for salary that caused overpayments in both the Trustee's salary and rent payments for the years 2011 and 2012. Since no minutes were presented for examination, the prior year's resolutions were followed. The prior year, 2010, stated that the Trustee was to receive \$3,720 for salary and rent payments. The Trustee was paid \$4,745 for salary and rent in 2011. This resulted in an overpayment of \$1,025. The Trustee was paid \$10,805 for salary and rent in 2012. This resulted in an overpayment of \$7,085. The total overpayment of salary and rent is \$8,110.

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 13)

Heather Perry, Trustee, was requested to reimburse Pike Township \$8,110 for overpayment of salary and rent. (See Summary of Charges, page 21)

***UNDOCUMENTED CHECKS***

Heather Perry, Trustee, wrote checks to herself for supplies and other services. These checks had no supporting documentation to validate the disbursements. There were checks written for: supplies in the total of \$2,225 and other services in the total of \$3,400. The total amount for undocumented checks was \$5,625.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Heather Perry, Trustee, was requested to reimburse Pike Township \$5,625 for undocumented checks. (See Summary of Charges, page 21)

***FAILURE TO DEPOSIT PUBLIC FUNDS***

The Township received numerous tax distribution checks from the Warren County Treasurer in 2011 and 2012 which were not deposited into the Township bank account. We reviewed all the local distributions and discovered that these checks were cashed at the bank by Heather Perry, Trustee.

The total of the 2011 distributions that the Trustee cashed was \$6,997.69. The total of 2012 distributions that the Trustee cashed was \$10,822.06. The total amount of distributions not deposited was \$17,819.75. The Trustee did not provide documentation of Township expenditures that were paid for by these distributions.

Indiana Code 5-13-6-1(c) states in part: ". . . public funds collected by township trustees shall be deposited in the designated depository on or before the first and fifteenth day of each month."

Heather Perry, Trustee, was requested to reimburse Pike Township \$17,819.75 for Failure to Deposit Public Funds. (See Summary of Charges, page 21)

PIKE TOWNSHIP, WARREN COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

**PUBLIC OFFICIAL BOND**

Heather Perry, Trustee, was covered by a public official bond for fiscal year 2011. The bond was with AutoOwners Insurance Company and coverage was as follows:

<u>Term</u>	<u>Coverage</u>
January 1, 2011 to January 2012	<u>\$ 30,000</u>

**AUDIT COSTS – MISSING AND MISAPPROPRIATED FUNDS**

The State of Indiana incurred additional examination fees in the investigation of the missing and misappropriated funds.

Heather Perry, Trustee, was requested to reimburse the State of Indiana \$3,764.06. (See Summary of Charges, page 21)

**BANK ACCOUNT RECONCILIATIONS**

Depository reconciliations of the fund balances to the bank account balances were not properly prepared each month for 2010, 2011, and 2012.

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

**OFFICIAL BOND NOT OBTAINED**

The following official bond was not purchased and therefore not filed in the Office of the County Recorder:

Current bond for 2012 for Heather Perry, Trustee

Indiana Code 5-4-1-18(a) states in part: "... the following ... township officers and employees shall file an individual surety bond: ... (4) Township trustees."

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 ..."

PIKE TOWNSHIP, WARREN COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

***ANNUAL REPORT AND 100R***

The 2011 Annual Report was not completed accurately and was not filed timely. The 2011 Annual Report did not include the financial assistance to nongovernmental entities section.

The Township's 2011 Certified Report of Names, Addresses, Duties, and Compensation of Public Employees (100R) was not filed timely.

Indiana Code 5-11-1-4(a) states in part:

"The state examiner shall require from every . . . local governmental unit . . . 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."

Indiana Code 5-11-13-1 states in part:

"Every . . . township, shall during the month of January of each year prepare, make, and sign a . . . certified report, correctly and completely showing the names and business addresses of each and all officers, employees, . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts."

***DEPOSIT OF PUBLIC FUNDS***

We noted instances where the Trustee was not depositing into the depository before the 1<sup>st</sup> and 15<sup>th</sup> of every month.

Twenty-three of the items tested were not deposited timely.

Indiana Code 5-13-6-1(c) states in part: "The public funds collected by township trustees shall be deposited in the designated depository on or before the first and fifteenth day of each month."

***FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS***

The Township did not comply with the directives of the Internal Revenue service or the Indiana Department of Revenue. The Trustee did not withhold taxes from employees, remit withholdings, issue Earnings Statements (Form W-2) or file withholding reports to the Federal or State government.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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)

PIKE TOWNSHIP, WARREN COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

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)

**ADVANCE PAYMENTS**

Dates of transactions indicated that payroll payments were made to the Trustee prior to when they were earned. Heather Perry, Trustee, paid herself \$1,575.00 on April 25, 2011, instead of the last approved salary of \$225.00.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

**CONFLICT OF INTEREST DISCLOSURE**

William Perry, Township Clerk, spouse of Heather Perry, Trustee, provided clean up of the cemetery for storm damage. Kody Perry, son of Heather Perry, Trustee, provided tree removal in the cemetery. A Uniform Conflict of Interest Disclosure Statement did not appear to have been filed for either party.

Indiana Code 35-44.1-1-4 states in part:

"(b) A public servant who knowingly or intentionally:

- (1) has a pecuniary interest in; or
- (2) derives a profit from;

a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Class D felony."

(c) It is not an offense under this section if any of the following apply: . . .

- (6) A public servant makes a disclosure that meets the requirements of subsection (d) or (e) and is:

- (A) not a member or on the staff of the governing body empowered to contract or purchase on behalf of the governmental entity, and functions and performs duties for the governmental entity unrelated to the contract or purchase; . . .

- (D) elected . . .

(d) A disclosure must:

- (1) be in writing;

PIKE TOWNSHIP, WARREN COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

- (2) describe the contract or purchase to be made by the governmental entity;
- (3) describe the pecuniary interest that the public servant has in the contract or purchase;
- (4) be affirmed under penalty of perjury;
- (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity prior to final action on the contract or purchase;
- (6) be filed within fifteen (15) days after final action on the contract or purchase with:
  - (A) the state board of accounts; and
  - (B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase . . .

(e) This subsection applies only to a person who is a member of, or a person appointed by, the board of trustees of a state supported college or university. A person to whom this subsection applies complies with the disclosure requirements of this chapter with respect to the person's pecuniary interest in a particular type of contract or purchase which is made on a regular basis from a particular vendor if the individual files with the state board of accounts and the board of trustees a statement of pecuniary interest in that particular type of contract or purchase made with that particular vendor. The statement required by this subsection must be made on an annual basis."

**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	2010	\$ 6,631
Fire Fighting	2011	823

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."

**BOARD MINUTES**

The Township Board minutes were not presented for examination.

Indiana Code 36-6-6-8 states in part: "The legislative body shall keep a permanent record of its proceedings in a book furnished by the executive."

PIKE TOWNSHIP, WARREN COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

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"

***DISBURSEMENT DOCUMENTATION***

In addition to the undocumented checks to Heather Perry, Trustee, we noted several other claims that did not contain adequate supporting documentation such as receipts and invoices. Expenses reimbursed without adequate documentation include two payments for cemetery clean up and fallen tree removal made to William Perry, Township Clerk and spouse of Heather Perry, Trustee, and Kody Perry, son of Heather Perry, Trustee, respectively.

Due to the lack of supporting information, the validity and accountability for these monies disbursed could not be established.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PIKE TOWNSHIP, WARREN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on January 3, 2013, with Carla Lincicum, Chairman of the Township Board.

The contents of this report were discussed on January 24, 2013, with Heather Perry, Trustee.

SUMMARY OF CHARGES  
PIKE TOWNSHIP, WARREN COUNTY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Heather Perry, Trustee:			
Overpayment of Salary and Rent, page 14	\$ 8,110.00	\$ -	\$ 8,110.00
Undocumented Checks, page 14	5,625.00	-	5,625.00
Failure to Deposit Public Funds, page 14	17,819.75	-	17,819.75
Audit Costs - Missing and Misappropriated Funds, page 15	<u>3,764.06</u>	<u>-</u>	<u>3,764.06</u>
Totals	<u>\$ 35,318.81</u>	<u>\$ -</u>	<u>\$ 35,318.81</u>

This report was forwarded to the Office of the Indiana Attorney General and the local prosecuting attorney.

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AFFIDAVIT

STATE OF INDIANA            )  
  )  
MONTGOMERY COUNTY)

We, Timothy J. Clary and Andrew Nicodemus, Field Examiners, being duly sworn on our oaths, state that the foregoing report based on the official records of the Pike Township, Warren County, Indiana, for the period from January 1, 2010 to December 31, 2012, is true and correct to the best of our knowledge and belief.

Timothy J. Clary

[Signature]  
Field Examiners

Subscribed and sworn to before me this 14th day of MAY, 2013.

Jennifer Bentley  
Clerk of the Circuit Court