

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
PIPE CREEK TOWNSHIP
MIAMI COUNTY, INDIANA
January 1, 2003 to December 31, 2005



FILED
7/18/06

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OFFICIALS

Office

Official

Term

Trustee

Patricia C. Wade

01-01-03 to 12-31-06

Chairman of the
Township Board

John McCurtain

01-01-03 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF PIPE CREEK TOWNSHIP, MIAMI COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Pipe Creek Township (Township), for the period of January 1, 2003 to December 31, 2005. The Township's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2003, 2004, and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

April 25, 2006

PIPE CREEK TOWNSHIP, MIAMI COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 23,676	\$ 19,828	\$ 14,118	\$ 29,386
Dog	582	263	338	507
Township Assistance	3,478	17,788	5,650	15,616
Firefighting	34,619	30,399	32,625	32,393
Levy Excess	823	-	-	823
	<u>63,178</u>	<u>68,278</u>	<u>52,731</u>	<u>78,725</u>
Totals	<u>\$ 63,178</u>	<u>\$ 68,278</u>	<u>\$ 52,731</u>	<u>\$ 78,725</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 29,386	\$ 11,540	\$ 13,943	\$ 26,983
Dog	507	391	414	484
Township Assistance	15,616	18,601	14,970	19,247
Firefighting	32,393	18,734	21,750	29,377
Levy Excess	823	-	-	823
	<u>78,725</u>	<u>49,266</u>	<u>51,077</u>	<u>76,914</u>
Totals	<u>\$ 78,725</u>	<u>\$ 49,266</u>	<u>\$ 51,077</u>	<u>\$ 76,914</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 26,983	\$ 12,777	\$ 13,979	\$ 25,781
Dog	484	153	184	453
Township Assistance	19,247	17,333	14,386	22,194
Firefighting	29,377	21,740	23,081	28,036
Levy Excess	823	660	-	1,483
	<u>76,914</u>	<u>52,663</u>	<u>51,630</u>	<u>77,947</u>
Totals	<u>\$ 76,914</u>	<u>\$ 52,663</u>	<u>\$ 51,630</u>	<u>\$ 77,947</u>

The accompanying notes are an integral part of the schedules.

PIPE CREEK TOWNSHIP, MIAMI COUNTY
NOTES TO SCHEDULES

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.

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.

PIPE CREEK TOWNSHIP, MIAMI COUNTY
EXAMINATION RESULTS AND COMMENTS

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The Township paid \$600 or more for Cemetery Care and Office rent in 2003, 2004, and 2005. No 1099's were issued for these payments as required by the Internal Revenue Service.

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)

APPROPRIATIONS

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

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
Township Assistance	2003	\$ 4,650
Township Assistance	2004	1,970

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."

PIPE CREEK TOWNSHIP, MIAMI COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 25, 2006, with Patricia C. Wade, Trustee. The official concurred with our findings.