

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

EXAMINATION REPORT
OF
SUGAR CREEK TOWNSHIP
CLINTON COUNTY, INDIANA
January 1, 2003 to December 31, 2005



FILED
7/28/06

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	John Bonecutter	01-01-03 to 12-31-06
Chairman of the Township Board	Dane Hastings	01-01-03 to 12-31-03
	Kenneth Cline	01-01-04 to 12-31-04
	Mark Butcher	01-01-05 to 12-31-05
	Dane Hastings	01-01-06 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF SUGAR CREEK TOWNSHIP, CLINTON COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Sugar 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

June 19, 2006

SUGAR CREEK TOWNSHIP, CLINTON COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
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	\$ 23,971	\$ 11,430	\$ 9,511	\$ 25,890
Dog	174	55	-	229
Township Assistance	15,348	3,118	5,593	12,873
Firefighting	27,888	7,715	6,000	29,603
Totals	<u>\$ 67,381</u>	<u>\$ 22,318</u>	<u>\$ 21,104</u>	<u>\$ 68,595</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 25,890	\$ 14,179	\$ 9,789	\$ 30,280
Dog	229	52	125	156
Township Assistance	12,873	6,389	2,640	16,622
Firefighting	29,603	15,427	4,500	40,530
Rainy Day	-	3,584	-	3,584
Totals	<u>\$ 68,595</u>	<u>\$ 39,631</u>	<u>\$ 17,054</u>	<u>\$ 91,172</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 30,280	\$ 13,264	\$ 10,428	\$ 33,116
Dog	156	37	-	193
Township Assistance	16,622	3,235	3,802	16,055
Firefighting	40,530	10,779	4,500	46,809
Rainy Day	3,584	-	-	3,584
Totals	<u>\$ 91,172</u>	<u>\$ 27,315</u>	<u>\$ 18,730</u>	<u>\$ 99,757</u>

The accompanying notes are an integral part of the schedules.

SUGAR CREEK TOWNSHIP, CLINTON 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.

SUGAR CREEK TOWNSHIP, CLINTON COUNTY
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not presented for audit or were incorrect. A similar comment was noted in prior audit report.

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)

TIMELY RECORDKEEPING

We noted instances of several months from the time of the original date of the transactions until entry on the records. As of June 12, 2006, the Financial and Appropriation Record (Township Form No. 1-E) had no postings for any of the transactions for the year 2006.

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with Indiana Code 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

SUGAR CREEK TOWNSHIP, CLINTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 19, 2006, with Jeanie Bonecutter, Clerk. The official concurred with our findings.