

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

EXAMINATION REPORT

OF

SANDCREEK TOWNSHIP

BARTHOLOMEW COUNTY, INDIANA

January 1, 2004 to December 31, 2005



FILED

09/22/2006

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report	3
Schedules of Receipts, Disbursements, and Cash and Investment Balances.....	4
Notes to Schedules	5
Examination Results and Comments:	
Official Bond	6
Appropriations.....	6
Expense Reimbursement Itemization	6
Advance Payments.....	7
Inaccurate W-2's and 941's	7
Federal and State Agencies – Compliance Requirements	7-8
Exit Conference.....	9

OFFICIALS

Office

Official

Term

Trustee

Janice Jines

01-01-03 to 12-31-06

Chairman of the
Township Board

David Skinner
Ron Hoevener
Karl Forster

01-01-04 to 12-31-04
01-01-05 to 12-31-05
01-01-06 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF SANDCREEK TOWNSHIP, BARTHOLOMEW COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Sandcreek Township (Township), for the period of January 1, 2004 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, 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

July 27, 2006

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

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 49,306	\$ 16,421	\$ 11,219	\$ 54,508
Dog	236	48	59	225
Township Assistance	12,175	19,588	3,968	27,795
Firefighting	16,809	14,748	18,500	13,057
Cemetery	2,121	-	-	2,121
Cumulative Fire	30,501	18,244	-	48,745
Totals	<u>\$ 111,148</u>	<u>\$ 69,049</u>	<u>\$ 33,746</u>	<u>\$ 146,451</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 54,508	\$ 15,537	\$ 12,501	\$ 57,544
Dog	225	45	48	222
Township Assistance	27,795	13,133	5,265	35,663
Firefighting	13,057	10,870	12,000	11,927
Cemetery	2,121	-	-	2,121
Cumulative Fire	48,745	12,413	-	61,158
Totals	<u>\$ 146,451</u>	<u>\$ 51,998</u>	<u>\$ 29,814</u>	<u>\$ 168,635</u>

The accompanying notes are an integral part of the schedules.

SANDCREEK TOWNSHIP, BARTHOLOMEW 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, 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.

SANDCREEK TOWNSHIP, BARTHOLOMEW COUNTY
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The official bond for Janice Jines, Sandcreek Township Trustee, was not filed in the Office of the County Recorder.

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 . . ."

APPROPRIATIONS

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

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
General	2004	\$ 11,219
Township Assistance	2004	3,968
Fire	2004	18,500

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."

EXPENSE REIMBURSEMENT ITEMIZATION

Records presented for audit included claims for reimbursement totaling \$200 per year for travel by the Township Trustee. Detailed documentation was not attached to the information presented for reimbursement which would enable a determination that all expenses were for conducting governmental business.

All claims, invoices, receipts and accounts payable vouchers, including those presented to the governing body for approval in accordance with Indiana Code 5-11-10, should contain adequate detailed documentation. All claims, invoices, receipts, and accounts payable vouchers regarding reimbursement for meals and expenses for individuals must have specific detailed information of the names of all individuals for whom amounts are claimed, including the nature, name and purpose of the business meeting, to enable the governing body to authorize payment. Payments which do not have proper itemization showing the business nature of the claim, may be the personal obligation of the responsible official, employee or other person for whom the claim is made. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

The township trustee is entitled to a sum for mileage in the performance of his official duties equal to the sum per mile paid to state officers and employees (IC 36-6-8-3). (The current rate allowed is \$.34 per mile) See Township Vehicles, below. Mileage Claim Form Number 101 shall be properly completed, listing dates of authorized travel, details of travel, miles traveled, nature of business, etc., for reimbursements for mileage before payment is made. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

SANDCREEK TOWNSHIP, BARTHOLOMEW COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

ADVANCE PAYMENTS

Dates of transactions indicate that some payments were made to companies and individuals prior to the receipt of goods or services.

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)

INACCURATE W-2'S AND 941'S

The amount of social security tax withheld and the amount of Medicare tax withheld were incorrectly reported to the IRS on the Forms W-2 in both 2004 and 2005. Not all wages paid were reported on the Form 941 in the first quarter of 2005, and the withholdings for the omitted wages were not remitted to the IRS until the fourth quarter of 2005.

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)

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, Page 13)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The Township did not issue a Internal Revenue Service Form 1099 for contractual cemetery care in 2005.

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)

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.

SANDCREEK TOWNSHIP, BARTHOLOMEW 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)

SANDCREEK TOWNSHIP, BARTHOLOMEW COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 27, 2006, with Janice Jines, Trustee. The official concurred with our findings.