

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

EXAMINATION REPORT  
OF  
PRAIRIE CREEK TOWNSHIP  
VIGO COUNTY, INDIANA  
January 1, 2006 to December 31, 2007



**FILED**  
10/15/2008



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OFFICIALS

Office

Official

Term

Trustee

Doyle Piety

01-01-03 to 12-31-10

Chairman of the  
Township Board

Allan Hodges

01-01-06 to 12-31-08



**STATE OF INDIANA**  
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STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF PRAIRIE CREEK TOWNSHIP, VIGO COUNTY, INDIANA

We have examined the financial information presented herein of Prairie Creek Township (Township), for the period of January 1, 2006 to December 31, 2007. The Township's management is responsible for the financial information presented herein. 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 information presented herein 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 financial information referred to above presents fairly, in all material respects, the financial information of the Township for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

September 9, 2008

PRAIRIE CREEK TOWNSHIP, VIGO COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 4,838	\$ 18,437	\$ 17,558	\$ 5,717
Dog	474	300	174	600
Township Assistance	16,775	5,750	6,828	15,697
Firefighting	18,979	24,359	27,486	15,852
Park and Recreation	979	577	250	1,306
Cumulative Fire	19,787	8,642	3,870	24,559
Fiduciary Fund:				
Payroll Withholdings	<u>158</u>	<u>236</u>	<u>158</u>	<u>236</u>
Totals	<u>\$ 61,990</u>	<u>\$ 58,301</u>	<u>\$ 56,324</u>	<u>\$ 63,967</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 5,717	\$ 23,210	\$ 14,971	\$ 13,956
Dog	600	-	600	-
Township Assistance	15,697	2,765	3,040	15,422
Firefighting	15,852	28,012	24,574	19,290
Park and Recreation	1,306	573	250	1,629
Cumulative Fire	24,559	8,365	3,081	29,843
Fiduciary Fund:				
Payroll Withholdings	<u>236</u>	<u>507</u>	<u>236</u>	<u>507</u>
Totals	<u>\$ 63,967</u>	<u>\$ 63,432</u>	<u>\$ 46,752</u>	<u>\$ 80,647</u>

The accompanying notes are an integral part of the financial information.

PRAIRIE CREEK TOWNSHIP, VIGO COUNTY  
NOTES TO FINANCIAL INFORMATION

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. All property taxes collected by the County Treasurer and available for distribution were distributed to the Township on or prior to December 31 of the year collected.

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.

PRAIRIE CREEK TOWNSHIP, VIGO COUNTY  
EXAMINATION RESULTS AND COMMENTS

CARE OF CEMETERY

Payments were made to an individual for care of cemetery prior to the receipt of services. The Trustee paid \$280 during 2006 to an individual to mow Trueblood Cemetery. The cemetery did not appear to have been mowed for months.

The Trustee did not continue to pay this person to mow Trueblood Cemetery in 2007, but did not ask the individual to repay the amounts from 2006.

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)

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CONFLICT OF INTEREST DISCLOSURE

The spouse of the Trustee works as the Clerk and also is paid to clean the Township fire house. A Uniform Conflict of Interest Disclosure Statement was not filed during the examination period.

Indiana Code 35-44-1-3 states in part:

"(a) 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) This section does not prohibit a public servant from having a pecuniary interest in or deriving a profit from a contract or purchase connected with the governmental entity served . . . (3) if the public servant; (A) is an elected public servant . . . and (B) makes a disclosure under subsection (d)(1) through (d)(6). . . .

(d) A disclosure required by this section must: (1) be in writing; (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 . . ."

"(g) A public servant has a pecuniary interest in a contract or purchase if the contract or purchase will result or is intended to result in an ascertainable increase in the income or net worth of: (1) the public servant; or (2) a dependent of the public servant who: (A) is under the direct or indirect administrative control of the public servant; or (B) receives a contract or purchase order that is reviewed, approved, or directly or indirectly administered by the public servant."

PRAIRIE CREEK TOWNSHIP, VIGO COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

"(k) As used in this section, 'dependent' means any of the following: (1) The spouse of a public servant. (2) A child, stepchild, or adoptee (as defined in IC 31-3-4-1) of a public servant who is: (A) unemancipated; and (B) less than eighteen (18) years of age. (3) Any individual more than one-half (2) of whose support is provided during a year by the public servant."

RECEIPT ISSUANCE

The Trustee collected donations during 2006 and 2007, to be used for the Prairie Creek Community Building. Receipts were not issued when the donations were received.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

SUPPORTING DOCUMENTATION

Several payments were observed in 2006 and 2007 which did not contain adequate supporting documentation, such as invoices and contracts. Due to the lack of supporting information, the validity and accountability for some money 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)

TELEPHONE RENTAL

The Township reimburses the Trustee for telephone rental, but the telephone number is listed in the Trustee's name and is not listed or billed as the number for the Township.

The rental of a telephone in the trustee's office may be paid from the Township Fund when the telephone is listed in the name of the township, such that the telephone is exempt from excise and sales tax. (Accounting and Uniform Compliance Guidelines for Townships, Chapter 1)

The township trustee shall ensure adequate access to township assistance services, including a published telephone number in the name of the township. (Accounting and Uniform Compliance Guidelines for Townships, Chapter 6)

TOWNSHIP ASSISTANCE OFFICE

The Township Assistance office is not designated by a sign.

A township assistance office, if separate from the township trustee's residence, must be designated by a clearly visible sign that lists the:

PRAIRIE CREEK TOWNSHIP, VIGO COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

1. Township trustee's name;
2. Availability of township assistance; and
3. Township assistance office's telephone number.

The sign must conform to all local zoning and signage restrictions. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 6)

PRAIRIE CREEK TOWNSHIP, VIGO COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on September 9, 2008, with Doyle Piety, Trustee.