

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

SUGAR CREEK TOWNSHIP

HANCOCK COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED
12/19/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Robert E. Boyer	01-01-07 to 12-31-14
Chairman of the Township Board	John Gunn Doug Dugger	01-01-10 to 12-31-10 01-01-11 to 12-31-12



INDEPENDENT ACCOUNTANT'S REPORT

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

We were engaged to examine the accompanying financial statements of Sugar Creek Township (Township), for the years ended December 31, 2010 and 2011. The financial statements are the responsibility of the Township's management.

The Township did not maintain sufficient accounting records. Numerous posting errors were identified during the course of our examination. Adjustments were proposed and made for the errors identified; however, the financial statements for the years ended December 31, 2010 and 2011, do not reconcile to the Township's ledgers after consideration of the required adjustments. The Township's records do not permit the application of other examination procedures to ascertain if the financial statements are fairly stated.

Since the Township did not maintain sufficient accounting records and we were not able to apply other examination procedures to satisfy ourselves as to whether the financial statements are fairly stated, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on these financial statements.

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, Schedule of Leases and Debt, and Schedule of Capital Assets, 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 and, accordingly, we express no opinion on them.

The Township's response to the Examination Results and Comments identified in our examination is described in the accompanying section of the report entitled Official Response. We did not examine the Township's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Township's management, Township Board, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

November 7, 2012

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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.

SUGAR CREEK TOWNSHIP, HANCOCK 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	\$ 85,224	\$ 85,767	\$ 58,466	\$ 112,525
Township Assistance	57,810	56,749	29,142	85,417
Fire Fighting	1,089,261	3,594,714	2,489,926	2,194,049
Cumulative Fire	93,334	214,600	8,495	299,439
Park And Recreation	41,766	84,892	77,903	48,755
Fire Debt	132,247	128,033	129,149	131,131
Levy Excess	89,875	8,545	-	98,420
Rainy Day	279,636	154,874	-	434,510
Nonreverting Ambulance	166,495	43,901	51,843	158,553
Fire Building Debt	188,270	257,789	266,000	180,059
Park Nonreverting	219,597	-	9,785	209,812
Recreation Debt	125,676	158,197	174,655	109,218
Loan & Interest	7,817	-	-	7,817
Ems Supplies, Training, Equipment	5,876	86,404	80,423	11,857
Health Insurance Account	2,007	121,095	119,733	3,369
Nonreverting Hazmat	7,327	1,737	8,634	430
Payroll	(1,010,269)	75,984	585,900	(1,520,185)
Cemetery Endowment	1,307	-	-	1,307
Totals	<u>\$ 1,583,256</u>	<u>\$ 5,073,281</u>	<u>\$ 4,090,054</u>	<u>\$ 2,566,483</u>

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

SUGAR CREEK TOWNSHIP, HANCOCK 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	\$ 112,525	\$ 90,414	\$ 71,053	\$ 131,886
Park Nonreverting	209,812	-	-	209,812
Park and Recreation	48,755	67,699	32,011	84,443
Township Assistance	85,417	44,681	40,608	89,490
Fire Fighting	2,194,049	3,531,393	2,945,159	2,780,283
Rainy Day	434,510	-	111,676	322,834
Levy Excess	98,420	-	-	98,420
Cumulative Fire	299,439	188,027	443,649	43,817
Cemetery Endowment	1,307	-	-	1,307
EMS Supplies, Training, Equipment	11,858	186,810	162,576	36,092
Fire Building Debt	180,059	278,052	270,000	188,111
Fire Debt	131,131	-	126,350	4,781
Health Insurance Account	3,369	127,995	127,840	3,524
Loan & Interest	7,817	-	-	7,817
Nonreverting Ambulance	158,553	49,915	70,297	138,171
Nonreverting Hazmat	430	-	-	430
Payroll	(1,520,185)	1,534,734	1,777,099	(1,762,550)
Recreation Debt	109,218	190,124	175,313	124,029
Totals	<u>\$ 2,566,484</u>	<u>\$ 6,289,844</u>	<u>\$ 6,353,631</u>	<u>\$ 2,502,697</u>

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

SUGAR CREEK TOWNSHIP, HANCOCK 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.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

SUGAR CREEK TOWNSHIP, HANCOCK COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

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:

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.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the Township. It includes all expenditures for the reduction of the principal and interest of the Township's general obligation indebtedness.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

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.

SUGAR CREEK TOWNSHIP, HANCOCK COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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.

SUGAR CREEK TOWNSHIP, HANCOCK COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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. These risks may also be mitigated by the Township by recording as a disbursement any replacement items purchased.

Note 6. Pension Plan

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy

The contribution requirements of plan members and the Township are established by the Board of Trustees of INPRS.

The Township also contributes to an additional pension plan unique to the Township. Information regarding these plans may be obtained from the Township.

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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/.

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.

SUGAR CREEK TOWNSHIP, HANCOCK 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	Cumulative Fire	Park And Recreation	Fire Debt	Levy Excess
Cash and investments - beginning	\$ 85,224	\$ 57,810	\$ 1,089,261	\$ 93,334	\$ 41,766	\$ 132,247	\$ 89,875
Receipts:							
Taxes	85,736	56,749	3,445,103	189,466	72,085	128,033	8,545
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	85,982	-	-	-	-
Other receipts	31	-	63,629	25,134	12,807	-	-
Total receipts	<u>85,767</u>	<u>56,749</u>	<u>3,594,714</u>	<u>214,600</u>	<u>84,892</u>	<u>128,033</u>	<u>8,545</u>
Disbursements:							
Personal services	26,399	5,339	1,834,726	-	-	-	-
Supplies	-	600	49,864	-	14	-	-
Other services and charges	32,067	1,608	444,205	-	29,661	129,149	-
Capital outlay	-	-	40,091	8,495	48,228	-	-
Other disbursements	-	21,595	121,040	-	-	-	-
Total disbursements	<u>58,466</u>	<u>29,142</u>	<u>2,489,926</u>	<u>8,495</u>	<u>77,903</u>	<u>129,149</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>27,301</u>	<u>27,607</u>	<u>1,104,788</u>	<u>206,105</u>	<u>6,989</u>	<u>(1,116)</u>	<u>8,545</u>
Cash and investments - ending	<u>\$ 112,525</u>	<u>\$ 85,417</u>	<u>\$ 2,194,049</u>	<u>\$ 299,439</u>	<u>\$ 48,755</u>	<u>\$ 131,131</u>	<u>\$ 98,420</u>

SUGAR CREEK TOWNSHIP, HANCOCK COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Rainy Day	Nonreverting Ambulance	Fire Building Debt	Park Nonreverting	Recreation Debt	Loan & Interest
Cash and investments - beginning	\$ 279,636	\$ 166,495	\$ 188,270	\$ 219,597	\$ 125,676	\$ 7,817
Receipts:						
Taxes	-	-	257,789	-	158,197	-
Intergovernmental	154,874	-	-	-	-	-
Charges for services	-	43,201	-	-	-	-
Other receipts	-	700	-	-	-	-
Total receipts	<u>154,874</u>	<u>43,901</u>	<u>257,789</u>	<u>-</u>	<u>158,197</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	51,843	266,000	-	174,655	-
Capital outlay	-	-	-	9,785	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>51,843</u>	<u>266,000</u>	<u>9,785</u>	<u>174,655</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>154,874</u>	<u>(7,942)</u>	<u>(8,211)</u>	<u>(9,785)</u>	<u>(16,458)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 434,510</u>	<u>\$ 158,553</u>	<u>\$ 180,059</u>	<u>\$ 209,812</u>	<u>\$ 109,218</u>	<u>\$ 7,817</u>

SUGAR CREEK TOWNSHIP, HANCOCK COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Ems Supplies, Training, Equipment	Health Insurance Account	Nonreverting Hazmat	Payroll	Cemetery Endowment	Totals
Cash and investments - beginning	\$ 5,876	\$ 2,007	\$ 7,327	\$ (1,010,269)	\$ 1,307	\$ 1,583,256
Receipts:						
Taxes	-	-	-	-	-	4,401,703
Intergovernmental	-	-	-	-	-	154,874
Charges for services	86,404	-	-	-	-	215,587
Other receipts	-	121,095	1,737	75,984	-	301,117
Total receipts	<u>86,404</u>	<u>121,095</u>	<u>1,737</u>	<u>75,984</u>	<u>-</u>	<u>5,073,281</u>
Disbursements:						
Personal services	-	119,733	-	585,900	-	2,572,097
Supplies	46,352	-	-	-	-	96,830
Other services and charges	34,071	-	-	-	-	1,163,259
Capital outlay	-	-	8,634	-	-	115,233
Other disbursements	-	-	-	-	-	142,635
Total disbursements	<u>80,423</u>	<u>119,733</u>	<u>8,634</u>	<u>585,900</u>	<u>-</u>	<u>4,090,054</u>
Excess (deficiency) of receipts over disbursements	<u>5,981</u>	<u>1,362</u>	<u>(6,897)</u>	<u>(509,916)</u>	<u>-</u>	<u>983,227</u>
Cash and investments - ending	<u>\$ 11,857</u>	<u>\$ 3,369</u>	<u>\$ 430</u>	<u>\$ (1,520,185)</u>	<u>\$ 1,307</u>	<u>\$ 2,566,483</u>

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

	Township	Park Nonreverting	Park and Recreation	Township Assistance	Fire Fighting	Rainy Day	Levy Excess
Cash and investments - beginning	\$ 112,525	\$ 209,812	\$ 48,755	\$ 85,417	\$ 2,194,049	\$ 434,510	\$ 98,420
Receipts:							
Taxes	-	-	-	-	2,174,848	-	-
Intergovernmental	85,365	-	65,791	44,681	1,231,979	-	-
Charges for services	-	-	1,520	-	100,487	-	-
Other receipts	5,049	-	388	-	24,079	-	-
Total receipts	<u>90,414</u>	<u>-</u>	<u>67,699</u>	<u>44,681</u>	<u>3,531,393</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	34,011	-	253	5,729	2,323,596	-	-
Supplies	871	-	-	-	128,825	-	-
Other services and charges	36,171	-	25,987	34,879	326,031	111,676	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	5,771	-	55,423	-	-
Other disbursements	-	-	-	-	111,284	-	-
Total disbursements	<u>71,053</u>	<u>-</u>	<u>32,011</u>	<u>40,608</u>	<u>2,945,159</u>	<u>111,676</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>19,361</u>	<u>-</u>	<u>35,688</u>	<u>4,073</u>	<u>586,234</u>	<u>(111,676)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 131,886</u>	<u>\$ 209,812</u>	<u>\$ 84,443</u>	<u>\$ 89,490</u>	<u>\$ 2,780,283</u>	<u>\$ 322,834</u>	<u>\$ 98,420</u>

SUGAR CREEK TOWNSHIP, HANCOCK COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Cumulative Fire	Cemetery Endowment	EMS Supplies, Training, Equipment	Fire Building Debt	Fire Debt	Health Insurance Account
Cash and investments - beginning	\$ 299,439	\$ 1,307	\$ 11,858	\$ 180,059	\$ 131,131	\$ 3,369
Receipts:						
Taxes	170,759	-	-	252,516	-	-
Intergovernmental	17,268	-	86,702	25,536	-	-
Charges for services	-	-	99,588	-	-	-
Other receipts	-	-	520	-	-	127,995
Total receipts	<u>188,027</u>	<u>-</u>	<u>186,810</u>	<u>278,052</u>	<u>-</u>	<u>127,995</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	7,733	-	-	-
Other services and charges	-	-	154,843	-	-	-
Debt service - principal and interest	-	-	-	270,000	126,350	-
Capital outlay	443,649	-	-	-	-	-
Other disbursements	-	-	-	-	-	127,840
Total disbursements	<u>443,649</u>	<u>-</u>	<u>162,576</u>	<u>270,000</u>	<u>126,350</u>	<u>127,840</u>
Excess (deficiency) of receipts over disbursements	<u>(255,622)</u>	<u>-</u>	<u>24,234</u>	<u>8,052</u>	<u>(126,350)</u>	<u>155</u>
Cash and investments - ending	<u>\$ 43,817</u>	<u>\$ 1,307</u>	<u>\$ 36,092</u>	<u>\$ 188,111</u>	<u>\$ 4,781</u>	<u>\$ 3,524</u>

SUGAR CREEK TOWNSHIP, HANCOCK COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Loan & Interest	Nonreverting Ambulance	Nonreverting Hazmat	Payroll	Recreation Debt	Totals
Cash and investments - beginning	\$ 7,817	\$ 158,553	\$ 430	\$ (1,520,185)	\$ 109,218	\$ 2,566,484
Receipts:						
Taxes	-	-	-	-	171,100	2,769,223
Intergovernmental	-	-	-	-	19,024	1,576,346
Charges for services	-	49,915	-	-	-	251,510
Other receipts	-	-	-	1,534,734	-	1,692,765
Total receipts	-	49,915	-	1,534,734	190,124	6,289,844
Disbursements:						
Personal services	-	-	-	-	-	2,363,589
Supplies	-	-	-	-	-	137,429
Other services and charges	-	70,297	-	-	-	759,884
Debt service - principal and interest	-	-	-	-	175,313	571,663
Capital outlay	-	-	-	-	-	504,843
Other disbursements	-	-	-	1,777,099	-	2,016,223
Total disbursements	-	70,297	-	1,777,099	175,313	6,353,631
Excess (deficiency) of receipts over disbursements	-	(20,382)	-	(242,365)	14,811	(63,787)
Cash and investments - ending	\$ 7,817	\$ 138,171	\$ 430	\$ (1,762,550)	\$ 124,029	\$ 2,502,697

SUGAR CREEK TOWNSHIP, HANCOCK COUNTY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2011

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Park Bonds	\$ 1,505,000	\$ 193,799
Notes and loans payable	Fire Building Debt	<u>1,729,000</u>	<u>265,500</u>
Total governmental activities		<u>3,234,000</u>	<u>459,299</u>
Totals		<u>\$ 3,234,000</u>	<u>\$ 459,299</u>

SUGAR CREEK TOWNSHIP, HANCOCK COUNTY
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2011

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Land	\$ 1,800,000
Buildings	3,150,000
Improvements other than buildings	125,000
Machinery, equipment and vehicles	3,898,364
Total governmental activities	8,973,364
Total capital assets	\$ 8,973,364

SUGAR CREEK TOWNSHIP, HANCOCK COUNTY
EXAMINATION RESULTS AND COMMENTS

FINANCIAL REPORT OPINION MODIFICATIONS

The Township's management did not report accurate information in the Annual Report filed with the Indiana State Board of Accounts for the years examined. The Annual Report is used to compile the financial information. The cash, receipts, disbursements, and balances as shown in the Annual Report for the years ended December 31, 2010 and 2011, did not reconcile to the Township's books and ledgers nor did they reconcile to the corresponding bank statements. Therefore, the State Board of Accounts was unable to provide an unqualified opinion on the Independent Auditors' Report for the financial statements. A similar comment was made in the prior Report B38202.

Accounting records and other public records must be maintained in a manner that will support accurate financial statements. Anything other than an unqualified opinion on the Independent Auditors' Report on the financial statements may have adverse financial consequences with the possibility of an increase in interest rate cost to the taxpayers of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were noted. A similar comment was in the prior three reports, most recently B38202.

1. The Township utilizes an outside vendor to prepare depository reconciliations of the fund balances to the bank account balances. The reconciliations presented for examination at December 31, 2010 and 2011, were not accurate. The ending book balance on the reconciliation did not agree to the ending book balance on the Township's ledger. At December 31, 2011, the ending bank balance on the reconciliation did not agree to the ending bank balance per the bank statements.

We requested the outside vendor to reconcile the bank balances to the ending fund balances during the examination. We received bank reconcilements on September 25, 2012, and the bank balances still were not reconciled to the ending fund balances presented on the financial statements. The bank reconcilements at December 31, 2010, and December 31, 2011, differ from the ending fund balances in the amount of \$245,372.22 and \$248,075.48, respectively.

2. Receipts, disbursements, and balances shown on the ledgers (Profit and Loss detail) were not always in agreement with the amounts recorded on the Annual Report. Some specific errors noted while verifying the record information include the following:
 - Payroll tax withholdings were not reported accurately. The 2010 Annual Report indicated tax payments of \$128,103.18 and the records indicated tax payments of \$421,753.36. Adjustment to the disbursements was needed in the amount of \$293,650.18.
 - Additional adjustments identified by the outside vendor were necessary to the Payroll Fund disbursements include \$164,146.42 in 2010 and \$399,129.32 in 2011.
 - The required adjustments, described above, to the Payroll Fund disbursements in 2010 also affected the beginning balance in 2011 and required an adjustment of \$457,796.60 to decrease the beginning 2011 fund balance.

SUGAR CREEK TOWNSHIP, HANCOCK COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

- The outside vendor identified another adjustment to the 2011 Payroll Fund receipts in the amount of \$43,204.07.
 - The Township received CAGIT money from the County. In 2011, a portion of the distributions was not reported in the Annual Report. An adjustment of \$5,482.62 to the Park and Recreation Fund receipts was needed. Also, there was an offsetting error in recording the November 3, 2011 distribution. An adjustment of an additional \$450 to the Township Assistance Fund receipts and less \$450.00 in the Park and Recreation Fund receipts was needed.
 - EMS receipts were erroneously reported in 2010 and 2011 on the Annual Reports. Adjustments to the Nonreverting Ambulance and EMS Supplies, Training, Equipment Fund receipts were made in 2010 in the amounts of \$211.94 and \$423.89, respectively. The 2011 beginning balances of the funds also required an increase by the same dollar amount. Adjustments to the Nonreverting Ambulance and EMS Supplies, Training, Equipment Fund receipts were made in 2011 in the amounts of \$94.68 and \$8,907.67, respectively.
 - The Township received a medical distribution from the State in July 2011 that was not recorded in the Township's ledger that resulted in making an adjustment to the receipts in the amount of \$105.84.
3. Receipts (Township General Form No. 16) were not in use. Postings to detailed ledgers for receipts identify the transaction by the payee's check number rather than a Township receipt number. The ledger posts receipts first by the type of receipt (taxes, interest, EMS receipts, etc.) rather than tracking the receipt by fund.

Indiana Code 5-13-6-1(e) states: "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."

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

COMPUTERIZED ACCOUNTING SOFTWARE PROGRAM

During the examination period, the Township used a computerized accounting software program to maintain their accounting records which did not provide for sufficient audit trails to verify all transactions from original source of entry into the system. Forms printed from the system were not approved by the State Board of Accounts. A similar comment was made in prior Report B38202. On May 9, 2011, the Township purchased a new computerized accounting software program and fully implemented it on January 1, 2012.

SUGAR CREEK TOWNSHIP, HANCOCK COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Indiana Code 5-11-1-21 states:

"All public officers shall adopt and use the books, forms, records, and systems of accounting and reporting adopted by the state board of accounts, when directed so to do by the board, and all forms, books, and records shall be purchased by those officers in the manner provided by law. An officer who refuses to provide such books, forms, or records, fails to use them, or fails to keep the accounts of his office as directed by the board commits a Class C infraction and forfeits his office."

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OVERDRAWN FUND BALANCES

The fund balance of the Payroll Fund was overdrawn at December 31, 2010 and 2011, in the amounts of \$1,520,185 and \$1,762,550, respectively. A similar comment was made in prior Report B38202.

The fund balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OFFICIAL BOND

The official bond coverage for 2010 and 2011 was not adequate. A July 1, 2009 legislative change required that \$30,000 official bond coverage be purchased for each million dollars in prior year receipts. Based on the receipts received in 2009 and 2010 the bond amount would be the equivalent of \$120,000 for 2010 and 2011. The bond in place for the examination period was in the amount of \$75,000. The amount of the bond does not comply with the law.

Indiana Code 5-4-1-18 states in part:

"(a) Except as provided in subsection (b), the following city, town, county, or township officers and employees shall file an individual surety bond: . . . Township trustees. . . .

(c) Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of city controllers, city clerk-treasurers, town clerk-treasurers, Barrett Law fund custodians, county treasurers, county sheriffs, circuit court clerks, township trustees, and conservancy district financial clerks as follows:

- (1) The amount must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount for the officer or employee."

SUGAR CREEK TOWNSHIP, HANCOCK COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

OLD OUTSTANDING CHECKS (WARRANTS)

Our review of the bank reconcilements as of December 31, 2011, revealed 35 checks outstanding in excess of two years totaling \$37,095.72.

Indiana Code 5-11-10.5-2 states in part: "All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void."

Indiana Code 5-11-10.5-3 states in part:

"Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the: (1) board of finance of the political subdivision; or (2) the fiscal body of a city or town. The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

Indiana Code 5-11-10.5-5 states:

"(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks.

(b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision."

SUGAR CREEK TOWNSHIP, HANCOCK COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 7, 2012, with Robert E. Boyer, Trustee, and Doug Dugger, Chairman of the Township Board. The Official Response has been made a part of this report and may be found on pages 27 through 35.

**ROBERT E. BOYER
SUGAR CREEK TOWNSHIP
HANCOCK COUNTY
TRUSTEE**

P.O. BOX 417
NEW PALESTINE, IN 46163
PHONE: 317.861.6148
FAX: 317.861.0415

November 15, 2012

OFFICIAL RESPONSE

Via fax and email

State Board of Accounts
Attention Summer Cannon
302 W. Washington Street
Room E418
Indianapolis, IN 46204-2765

Gentlemen;

This is the official response to your draft of the examination results and comments received by the undersigned at the "close out meeting" held on November 7, 2012 regarding the audit of the years ending December 31, 2010 and December 31, 2011 by your office. The response will address each individual item.

CONDITION OF RECORDS

See the letter dated November 12, 2012, attached as Exhibit A, from Peters Municipal Consultants, LTD attached to this response in regard to the Condition of Records.

COMPUTERIZED ACCOUNTING SOFTWARE PROGRAM

The township was informed during the last audit that the accounting program in use did not meet the requirements of the State Board of Accounts. Upon the issuance of the report for the last audit, in early January of 2011 the trustee began reviewing accounting systems that did meet the requirements of the State Board of Accounts.

The accounting system known as "Tom's Web" was purchased and installed on April 29, 2011 and the township began limited use of the system by recording disbursements. A copy of the invoice from netResults, the software vendor for "Tom's Web" is attached as Exhibit B to prove the purchase of the system. It was investigated as to whether it would be possible to integrate the prior non-compliant system and Tom's Web together for the

2011 year and the costs and time required were determined to be too extensive to be practical.

Effective January 1, 2012 the system was fully implemented and since that time all financial transactions of Sugar Creek Township have been recorded in the compliant system. The examiner from the SBOA witnessed that the Township is actually currently using the system.

Accordingly, the undersigned did not refuse to provide such books, forms, or records, nor fail to use them, nor fail to keep the accounts of his office as directed by the board. The compliant system was purchased as soon as practical and the use of the system was instituted as soon as practical.

OVERDRAWN CASH BALANCES

When setting up the payroll system using the QuickBooks payroll an error was apparently made that did not properly post the various withholdings (federal and state taxes, child support, optional insurance, etc.) The various withholdings should have posted as a debit to the payroll deduction fund and the payments of the liabilities from the fund should post as a credit so the fund would essentially have a zero or only a small balance depending on the timing of the withholding and the payment of the liabilities. Unfortunately, the debit postings did not occur and when liabilities were paid from the fund the credits produced an ever increasing negative balance.

With the hiring of an outside vendor to handle the payroll functions starting April 1, 2011 this error no longer occurred.

To correct this situation the trustee identified the amounts that were incorrectly recorded as disbursements in the Payroll Withholding Fund as to the Township Fund or the Fire Fund by year of disbursement.

The township then engaged a QuickBooks Pro Advisor to determine how to correct the erroneous negative (Overdrawn Cash Balances) issue. The information on the correction of that issue was provided to the representatives of the State Board of Accounts at the close out meeting on November 7, 2012. The adjusting entries will be made to the Fire Fund and the Township Fund as of January 1, 2012. This will eliminate this issue going forward.

Copies of the information provided at the close out meeting are attached as exhibits C (which was the computation of the amount of adjustments needed) and Exhibit D showing the adjusting entries that will be made.

OFFICIAL BOND

The bond purchased was based on the prior requirements; I somehow missed the updated amounts required. I have already discussed this situation with the vendor who has

handled the bonding for the township and the bond for 2013 will be in the amount of \$150,000.00

OLD OUTSTANDING CHECKS (WARRANTS)

In early 2013 all outstanding checks will be reviewed, and those over two years old will be voided.

If you have any questions feel free to give me a call at the number shown above.

Sincerely,



Robert E. Boyer
Sugar Creek Township Trustee



Peters Municipal Consultants, LTD
P.O. Box 542
Greenwood, IN 46142

Phone: 317-535-6168
Fax: 317-886-7013

www.petersmunicipalconsultants.com

Exhibit A

November 12, 2012

Sugar Creek Township, Hancock County
P.O. Box 417
New Palestine, IN 46163

Sugar Creek Township, Hancock County:

This letter is written in response to specific parts of the "EXAMINATION RESULTS AND COMMENTS" of the Township's examination for the years ended 2010 and 2011.

The comments under "FINANCIAL REPORT OPINION MODIFICATIONS", "CONDITION OF RECORDS", "COMPUTERIZED ACCOUNTING SOFTWARE PROGRAM", and "OVERDRAWN CASH BALANCES" center on a former problem with the Township's payroll fund. Utilization of the Township's previous accounting software program led to improper assignment of payroll expenditures to the various funds of the Township, resulting in overdrawn cash balances for the Payroll Withholding Fund, overstated cash balances for other funds, inaccurate reporting in the annual report, and lack of ability to timely reconcile the Payroll Withholding Fund.

Since this issue was brought to the attention of the Trustee, he has replaced the computerized accounting software program, replaced the payroll vendor, reconciled the overdrawn cash balances in the Payroll Withholding Fund, and prepared adjusting entries for same to be integrated into the accounting records during 2012. We anticipate that these actions will result in the Township reconciling completely to the bank statements, reporting accurate amounts on the annual report, and returning to the status of an unqualified opinion on the next Independent Auditor's Report. Please see the Trustee's response for further explanation.

Sincerely,

Peters Municipal Consultants, LTD

Peters Municipal Consultants, LTD

netResults

Exhibit B

20 3rd Ave. NW
Carmel, IN 46032

Phone 317.571.1840 Fax 317.571.1961

SHIP TO:

Sugar Creek Township
3545 South 600 West
New Palestine, In 46163

BILL TO:

Sugar Creek Township
3545 South 600 West
New Palestine, In 46163

Invoice #

9326

Date

04/29/2011

DATE	QTY	DESCRIPTION	PRICE	TOTAL
04/29	1.00	TOMSwEB Remote Unlimited Access Service	2295.00	2295.00
04/29	1.00	Additional User License	895.00	895.00

PAID

CK. NO 23622
DATE 5-9-11
AMOUNT 3190.00
FUND TOWNSHIP FUND

ADDITIONAL REMARKS:

SUBTOTAL	\$3,190.00
FREIGHT	0.00
TAX	0.00
TOTAL	\$3,190.00

Thank you for your business!! Your prompt payment within 15 days is much appreciated!

TWP TAX LIAB PAID FROM PAYROLL LIAB ACCT

EXHIBIT C

trustee	2008	2008	2008	2009	2009	2010	2010	2011	2011
FITW	\$ 2,912.00	\$ 2,807.00	\$ 2,990.00	\$ 2,990.00	\$ 990.00				
MEDICARE	\$ 275.50	\$ 275.50	\$ 275.50	\$ 275.50	\$ 77.52				
SOC SEC	\$ 1,178.00	\$ 1,178.00	\$ 1,178.00	\$ 1,178.00	\$ 224.54				
IN WH	\$ 646.10	\$ 646.10	\$ 646.10	\$ 646.10	\$ 181.75				
CO WH	\$ 218.04	\$ 193.44	\$ 221.33	\$ 221.33	\$ 82.85				
TWP MED	\$ 275.50	\$ 275.50	\$ 275.50	\$ 275.50	\$ 77.52				
TWP SOC SEC	\$ 1,178.00	\$ 1,178.00	\$ 1,178.00	\$ 1,178.00	\$ 331.46				
TOTAL	\$ 6,683.14	\$ 6,553.54	\$ 6,764.43	\$ 6,764.43	\$ 1,965.64				

board member 1

FITW	\$ -	\$ -	\$ -	\$ -	\$ -				
MEDICARE	\$ 29.00	\$ 21.75	\$ 36.25	\$ 36.25	\$ 7.25				
SOC SEC	\$ 124.00	\$ 93.00	\$ 155.00	\$ 155.00	\$ 21.00				
IN WH	\$ 68.00	\$ 51.00	\$ 85.00	\$ 85.00	\$ 17.00				
CO WH	\$ 23.00	\$ 17.25	\$ 30.75	\$ 30.75	\$ 7.75				
TWP MED	\$ 29.00	\$ 21.75	\$ 36.25	\$ 36.25	\$ 7.25				
TWP SOC SEC	\$ 124.00	\$ 93.00	\$ 155.00	\$ 155.00	\$ 31.00				
TOTAL	\$ 397.00	\$ 297.75	\$ 498.25	\$ 498.25	\$ 91.25				

board member 2

FITW	\$ -	\$ -	\$ -	\$ -	\$ -				
MEDICARE	\$ 29.00	\$ 21.75	\$ 36.25	\$ 36.25	\$ 7.25				
SOC SEC	\$ 124.00	\$ 93.00	\$ 155.00	\$ 155.00	\$ 21.00				
IN WH	\$ 68.00	\$ 51.00	\$ 85.00	\$ 85.00	\$ 17.00				
CO WH	\$ 23.00	\$ 17.25	\$ 30.75	\$ 30.75	\$ 7.75				
TWP MED	\$ 29.00	\$ 21.75	\$ 36.25	\$ 36.25	\$ 7.25				
TWP SOC SEC	\$ 124.00	\$ 93.00	\$ 155.00	\$ 155.00	\$ 31.00				
TOTAL	\$ 397.00	\$ 297.75	\$ 498.25	\$ 498.25	\$ 91.25				

board member 3

FITW	\$ -	\$ -	\$ -	\$ -	\$ -				
MEDICARE	\$ 29.00	\$ 21.75	\$ 36.25	\$ 36.25	\$ 7.25				
SOC SEC	\$ 124.00	\$ 93.00	\$ 155.00	\$ 155.00	\$ 21.00				
IN WH	\$ 68.00	\$ 51.00	\$ 85.00	\$ 85.00	\$ 17.00				
CO WH	\$ 23.00	\$ 17.25	\$ 30.75	\$ 30.75	\$ 7.75				
TWP MED	\$ 29.00	\$ 21.75	\$ 36.25	\$ 36.25	\$ 7.25				
TWP SOC SEC	\$ 124.00	\$ 93.00	\$ 155.00	\$ 155.00	\$ 31.00				
TOTAL	\$ 397.00	\$ 297.75	\$ 498.25	\$ 498.25	\$ 91.25				

FITW	\$	-	\$	-	\$	-	\$	-	\$	-
MEDICARE	\$	29.00	\$	21.75	\$	36.25	\$	7.25	\$	7.25
SOC SEC	\$	124.00	\$	93.00	\$	155.00	\$	21.00	\$	21.00
IN WH	\$	68.00	\$	51.00	\$	85.00	\$	17.00	\$	17.00
CO WH	\$	23.00	\$	17.25	\$	30.75	\$	7.75	\$	7.75
TWP MED	\$	29.00	\$	21.75	\$	36.25	\$	7.25	\$	7.25
TWP SOC SEC	\$	124.00	\$	93.00	\$	155.00	\$	31.00	\$	31.00
TOTAL	\$	397.00	\$	297.75	\$	498.25	\$	91.25	\$	91.25

clerical 1

FITW	\$	1,247.00	\$	1,343.00	\$	803.00	\$	-	\$	-
MEDICARE	\$	203.00	\$	207.88	\$	97.28	\$	-	\$	-
SOC SEC	\$	868.00	\$	888.86	\$	415.97	\$	-	\$	-
IN WH	\$	476.05	\$	487.56	\$	228.11	\$	-	\$	-
CO WH	\$	160.67	\$	146.07	\$	77.12	\$	-	\$	-
TWP MED	\$	203.00	\$	207.88	\$	97.28	\$	-	\$	-
TWP SOC SEC	\$	868.00	\$	888.86	\$	415.97	\$	-	\$	-
TOTAL	\$	4,025.72	\$	4,170.11	\$	2,134.73	\$	-	\$	-

clerical 2

FITW	\$	48.00	\$	48.00	\$	195.00	\$	195.00	\$	195.00
MEDICARE	\$	130.61	\$	130.61	\$	58.85	\$	58.85	\$	58.85
SOC SEC	\$	558.46	\$	558.46	\$	170.48	\$	170.48	\$	170.48
IN WH	\$	306.24	\$	306.24	\$	138.02	\$	138.02	\$	138.02
CO WH	\$	107.75	\$	107.75	\$	62.93	\$	62.93	\$	62.93
TWP MED	\$	130.61	\$	130.61	\$	58.85	\$	58.85	\$	58.85
TWP SOC SEC	\$	558.46	\$	558.46	\$	251.65	\$	251.65	\$	251.65
TOTAL	\$	1,840.13	\$	1,840.13	\$	935.78	\$	935.78	\$	935.78

board member 4

FITW	\$	-	\$	-	\$	-	\$	-	\$	-
MEDICARE	\$	7.25	\$	7.25	\$	7.25	\$	7.25	\$	7.25
SOC SEC	\$	21.00	\$	21.00	\$	21.00	\$	21.00	\$	21.00
IN WH	\$	17.00	\$	17.00	\$	17.00	\$	17.00	\$	17.00

SUGAR CREEK TWP TRUSTEE
 SUGAR CREEK TOWNSHIP - HANCOCK COUNTY
Adjusting Journal Entries
 All Transactions

EXHIBIT D

PROPOSED JOURNAL ENTRIES SUGAR CREEK TWP PREPARED BY S. CONNETT 11-1-12					
<u>Date</u>	<u>Num</u>	<u>Memo</u>	<u>Account</u>	<u>Debit</u>	<u>Credit</u>
12/31/2009	scpa-3	Allocate payroll tax payments to correct fund	1000.14 - PAYROLL DEDUCTION FUND	586,728.21	
		Allocate payroll tax payments to correct fund	1000.04 - 0101 TOWNSHIP FUND		11,889.66
		Allocate payroll tax payments to correct fund	1000.07 - 1111 FIRE FIGHTING FUND		574,828.35
				<u>586,728.21</u>	<u>586,728.21</u>
12/31/2009	scpa-4	Allocate payroll tax payments to correct fund	1000.14 - PAYROLL DEDUCTION FUND	472,394.69	
		Allocate payroll tax payments to correct fund	1000.04 - 0101 TOWNSHIP FUND		11,616.90
		Allocate payroll tax payments to correct fund	1000.07 - 1111 FIRE FIGHTING FUND		460,777.79
				<u>472,394.69</u>	<u>472,394.69</u>
12/31/2010	scpa-5	Allocate payroll tax payments to correct fund	1000.14 - PAYROLL DEDUCTION FUND	509,916.12	
		Allocate payroll tax payments to correct fund	1000.04 - 0101 TOWNSHIP FUND		12,234.04
		Allocate payroll tax payments to correct fund	1000.07 - 1111 FIRE FIGHTING FUND		497,682.08
				<u>509,916.12</u>	<u>509,916.12</u>
12/31/2011	scpa-6	Allocate payroll tax payments to correct fund	1000.14 - PAYROLL DEDUCTION FUND	137,726.54	
		Allocate payroll tax payments to correct fund	1000.04 - 0101 TOWNSHIP FUND		3,175.17
		Allocate payroll tax payments to correct fund	1000.07 - 1111 FIRE FIGHTING FUND		134,551.37
				<u>137,726.54</u>	<u>137,726.54</u>