

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

EXAMINATION REPORT

OF

NINEVEH TOWNSHIP

JOHNSON COUNTY, INDIANA

January 1, 2002 to December 31, 2005



FILED

09/26/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Rita Fulp	01-01-02 to 12-31-02
	Vacant	01-01-03 to 01-13-03
	Dale Mitchell (Interim)	01-14-03 to 01-31-03
	Angela R. Mangus	02-01-03 to 07-13-04
	Dale Mitchell (Interim)	07-14-04 to 08-13-04
	Saundra J. Nichols	08-14-04 to 12-31-06
Chairman of the Township Board	Dale Mitchell	01-01-02 to 12-31-06



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF NINEVEH TOWNSHIP, JOHNSON COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Nineveh Township (Township), for the period of January 1, 2002 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, 2002, 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

August 21, 2006

NINEVEH TOWNSHIP, JOHNSON COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPE
As Of And For The Years Ended December 31, 2002, 2003, 2004, And 2005

	Cash and Investments 01-01-02	Receipts	Disbursements	Cash and Investments 12-31-02
Governmental Funds:				
General	\$ 10,650	\$ 14,388	\$ 15,472	\$ 9,566
Dog	815	396	515	696
Township Assistance	4,682	12,653	11,556	5,779
Totals	<u>\$ 16,147</u>	<u>\$ 27,437</u>	<u>\$ 27,543</u>	<u>\$ 16,041</u>

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 9,566	\$ 13,423	\$ 16,007	\$ 6,982
Dog	696	378	396	678
Township Assistance	5,779	3,253	2,892	6,140
Totals	<u>\$ 16,041</u>	<u>\$ 17,054</u>	<u>\$ 19,296</u>	<u>\$ 13,800</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 6,982	\$ 25,380	\$ 19,974	\$ 12,388
Dog	678	341	378	641
Township Assistance	6,140	6,444	6,412	6,172
Rainy Day	-	585	-	585
Totals	<u>\$ 13,800</u>	<u>\$ 32,750</u>	<u>\$ 26,764</u>	<u>\$ 19,786</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 12,388	\$ 18,508	\$ 18,694	\$ 12,201
Dog	641	567	347	861
Township Assistance	6,172	5,005	5,953	5,224
Rainy Day	585	-	-	585
Totals	<u>\$ 19,786</u>	<u>\$ 24,079</u>	<u>\$ 24,994</u>	<u>\$ 18,871</u>

The accompanying notes are an integral part of the schedules.

NINEVEH TOWNSHIP, JOHNSON 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: 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.

NINEVEH TOWNSHIP, JOHNSON COUNTY
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

Official bonds were not filed for any official or employee for the years 2002, 2003, 2004, 2005, and 2006. A similar comment appeared in the prior report.

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 . . ."

CONTRACTS

Records presented for examination indicate payments were made to a vendor for cemetery maintenance in 2003, 2004, and 2005 without a written contract. Verbal agreements were made; however, the agreements were not supported by proper documentation, such as detailed invoices, bills, or receipts to substantiate the payments. A written contract was presented for the year 2002, but payments did not match the contract amount and no documentation was found to support the variance.

A similar comment appeared in the prior audit report.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

BOARD MINUTES

Not all minutes of meetings of the Township Board were available for examination. No minutes were presented for the calendar year 2002.

Indiana Code 5-14-1.5-4(b) states: "As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes taken, by individual members if there is a roll call.
- (5) Any additional information required under IC 5-1.5-2-2.5 or IC 20-12-63-7."

NINEVEH TOWNSHIP, JOHNSON COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

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>
Township Assistance	2002	<u>\$ 4,491.56</u>

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."

PUBLIC RECORDS RETENTION

Budget records for 2003 were not presented for audit. Bank statements for February, April, and June 2002 were not retained for audit. As part of the bank statements, reconcilements and optically imaged checks for the same months were not retained.

Indiana Code 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

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)

DISBURSEMENT DOCUMENTATION

Several payments, 55% of those examined, lacked adequate supporting documentation such as itemized receipts, bills, and invoices. One payment was supported by a statement that was marked "over 90 days past due".

Due to the lack of supporting information, the validity and accountability for some monies 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)

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.

NINEVEH TOWNSHIP, JOHNSON 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)

PRESCRIBED FORMS

The following prescribed forms were not always in use or were used incorrectly:

Township Form 16, Township Trustee's Receipt
Township Form 17, Resolution Recommending Salaries of Township Officers and Employees
Poor Relief Form TA-1, Application for Township Assistance
Poor Relief Form TA-1A, Notice of Township Assistance Action
Poor Relief Form TA-2, Township Assistance Purchase Order
General Form 100R, Certified Report of Names, Addresses, Duties and
Compensation of Public Employees
General Form 101, Mileage Claim

One instance was noted where a Township Assistance Action denied assistance, but the assistance was paid anyway with no reversal of the denial documented.

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)

NINEVEH TOWNSHIP, JOHNSON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 23, 2006, with Sandra J. Nichols, Trustee. The official concurred with our findings.