

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

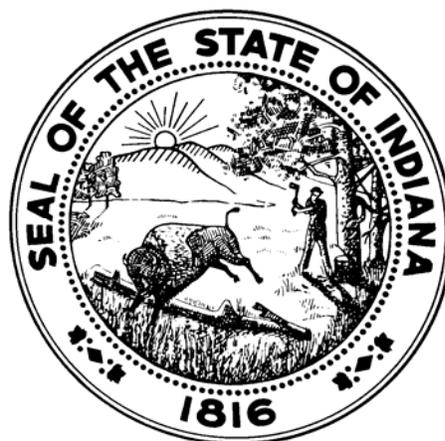
EXAMINATION REPORT

OF

TIPPECANOE TOWNSHIP

PULASKI COUNTY, INDIANA

January 1, 2004 to December 31, 2005



FILED

11/15/2006

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OFFICIALS

Office

Official

Term

Trustee

Connie Myers

01-01-04 to 12-31-06

Chairman of the
Township Board

Sharon Posthuma

01-01-04 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF TIPPECANOE TOWNSHIP, PULASKI COUNTY, INDIANA

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

August 30, 2006

TIPPECANOE TOWNSHIP, PULASKI 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	\$ 89,475	\$ 8,015	\$ 19,330	\$ 78,160
Dog	425	-	125	300
Township Assistance	12,120	14,923	10,014	17,029
Firefighting	22,066	23,148	13,213	32,001
Cumulative Fire	<u>19,298</u>	<u>9,063</u>	<u>3,374</u>	<u>24,987</u>
Totals	<u>\$ 143,384</u>	<u>\$ 55,149</u>	<u>\$ 46,056</u>	<u>\$ 152,477</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 78,160	\$ 6,312	\$ 19,730	\$ 64,742
Dog	300	130	-	430
Township Assistance	17,029	16,474	11,187	22,316
Firefighting	32,001	23,005	13,239	41,767
Cumulative Fire	<u>24,987</u>	<u>9,152</u>	<u>2,063</u>	<u>32,076</u>
Totals	<u>\$ 152,477</u>	<u>\$ 55,073</u>	<u>\$ 46,219</u>	<u>\$ 161,331</u>

The accompanying notes are an integral part of the schedules.

TIPPECANOE TOWNSHIP, PULASKI 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. 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.

TIPPECANOE TOWNSHIP, PULASKI COUNTY
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The following official bond was not filed in the Office of the County Recorder: Connie Myers, Trustee.

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 . . ."

BUDGET APPROPRIATIONS

The Trustee failed to get budget approval for 2005 because the budget was not properly advertised.

Budgets must be published two times in each of two (2) newspapers published in the township. If there is only one (1) newspaper published in the township, then the notice shall be published in that newspaper and if another newspaper is published in the county and circulates within the township then it shall be published in the other newspaper. If no newspaper is published in the township, then publication shall be made in newspapers published in the county and that circulates within the township. The first publication must be made not less than ten (10) days prior to the date of the public hearing. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 4)

APPROPRIATIONS

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

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Township	2005	\$ 19,730
Township Assistance	2005	11,187
Fire	2005	13,239
Cumulative Fire	2005	2,063

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."

SUPPORTING DOCUMENTATION

Several payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records. Due to the lack of supporting information, the validity and accountability for some money disbursed could not be established.

TIPPECANOE TOWNSHIP, PULASKI COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

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)

FAILURE TO SUBMIT RECORDS FOR AUDIT

Financial records presented for audit were incomplete and not reflective of the activity of the Township Assistance Fund. The records presented did not provide sufficient information to audit or establish the accuracy or correctness of the disbursements.

Prescribed forms to be used by the township trustee in the administration of township assistance are: TA-1 (application for township assistance), TA-1A (notice of township assistance action), TA-1B (application for additional or continuing township assistance), and TA-2 (township assistance purchase order). No copies of bill or invoices paid to vendors for township assistance were submitted for audit.

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 6)

COMPENSATION AND BENEFITS

The Trustee received \$450 and \$1,742 in payments for the years 2004 and 2005 respectively, which were not included on the salary resolution. We requested repayment from the Tippecanoe Trustee, Connie Myers, in the amount of \$2,192 for the overpayments of salary and rent. The \$2,192 was repaid by the Trustee on August 30, 2006. (See Summary, page 10)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 17)

ADVANCE PAYMENTS

Dates of payroll transactions indicate that some payments were made to the Trustee prior to the receipt of 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)

TIPPECANOE TOWNSHIP, PULASKI COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

Officials or employees of the Township had money due from the Township, but a list of such employees was not certified to the County Treasurer.

Indiana Code 6-1.1-22-14(a) states in part: "On or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the names and addresses of each person who has money due from the political subdivision to the treasurer of each county in which the political subdivision is located."

DOG TAX ADMINISTRATIVE FEE

Administrative fees for dog tax were not receipted to the Township Fund.

Indiana Code 15-5-9-1 states in part: "For each individual dog tag or kennel license issued under this chapter, the township assessor (or trustee who collects the fee) shall retain from the fee described in this section, an administrative fee of fifty cents (\$0.50). Administrative fees collected by the assessor shall be deposited in the county general fund, and administrative fees collected by the trustee shall be deposited in the township general fund."

TRANSACTION RECORDING

Dog tax collected for the 2004 and 2005 years in the amount of \$130 was not entered in the records of the Township, nor deposited to the bank. We requested payment from the Tippecanoe Trustee, Connie Myers in the amount of \$130. This amount was paid on November 2, 2006. (See Summary, page 10)

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

TIPPECANOE TOWNSHIP
EXIT CONFERENCE

The contents of this report were discussed on August 30, 2006, with Connie Myers, Trustee. The official concurred with our findings.

TIPPECANOE TOWNSHIP, PULASKI COUNTY
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Trustee, Connie Myers			
Overpayment of Salary, page 7	\$ 991.61	\$ 991.61	\$ -
Overpayment of Rent/Utilities, page 7	1,200.00	1,200.00	-
Dog Tax, page 8	130.00		
Paid on November 2, 2006		<u>130.00</u>	<u>-</u>
Totals	<u>\$ 2,321.61</u>	<u>\$ 2,321.61</u>	<u>\$ -</u>