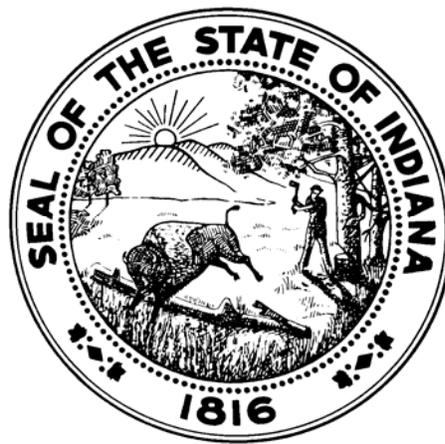


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
REPUBLICAN TOWNSHIP  
JEFFERSON COUNTY, INDIANA  
January 1, 2005 to December 31, 2006



**FILED**  
06/20/2007



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OFFICIALS

Office

Official

Term

Trustee

Fred L. Stilwell

01-01-03 to 12-31-10

Chairman of the  
Township Board

Fred K. Wilkerson

01-01-03 to 12-31-07



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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 REPUBLICAN TOWNSHIP, JEFFERSON COUNTY, INDIANA

We have examined the financial information presented herein of Republican Township (Township), for the period of January 1, 2005 to December 31, 2006. 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, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

April 12, 2007

REPUBLICAN TOWNSHIP, JEFFERSON 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, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Township	\$ 19,291	\$ 12,555	\$ 11,816	\$ 20,030
Dog	360	10	60	310
Township Assistance	16,319	5,134	3,853	17,600
Firefighting	2,641	9,039	7,949	3,731
Cumulative Fire	1,351	10,889	9,000	3,240
Fiduciary Fund:				
Payroll Withholdings	134	471	454	151
Totals	<u>\$ 40,096</u>	<u>\$ 38,098</u>	<u>\$ 33,132</u>	<u>\$ 45,062</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 20,030	\$ 13,758	\$ 12,691	\$ 21,097
Dog	310	87	6	391
Township Assistance	17,600	4,389	3,539	18,450
Firefighting	3,731	9,753	8,625	4,859
Cumulative Fire	3,240	10,308	9,000	4,548
Fiduciary Fund:				
Payroll Withholdings	151	662	114	699
Totals	<u>\$ 45,062</u>	<u>\$ 38,957</u>	<u>\$ 33,975</u>	<u>\$ 50,044</u>

The accompanying notes are an integral part of the schedules.

REPUBLICAN TOWNSHIP, JEFFERSON 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, 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.

REPUBLICAN TOWNSHIP, JEFFERSON COUNTY  
EXAMINATION RESULTS AND COMMENTS

CONFLICT OF INTEREST DISCLOSURE

Sandy Stilwell, Township Clerk, is the spouse of Fred L. Stilwell, Township Trustee. A Uniform Conflict of Interest Disclosure Statement does not appear to have been filed.

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 . . ."

"(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."

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were noted.

- (1) Receipts, disbursements, and balances reported on the annual report did not agree to the ledger.
- (2) The detail of receipts and disbursements listed in the Financial and Appropriation Ledger were not totaled.
- (3) Township Assistance transactions in 2005 were not posted to the Township Assistance Fund.
- (4) Record balances were not reconciled to depository balances.

REPUBLICAN TOWNSHIP, JEFFERSON COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

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

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (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 Township, Chapter 13)

PRESCRIBED FORMS

Prescribed Form 17 (Resolution Recommending Salaries of Officials and Employees) was not presented for examination.

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)

TOWNSHIP ASSISTANCE PROCEDURES

The following deficiencies regarding the processing of township assistance were noted.

1. Township assistance standards presented for examination were not properly prepared.

Indiana Code 12-20-5.5-1 states in part:

(a) The township trustee shall process all applications for the township assistance according to uniform written standards . . ."

(b) The township's standards for the issuance of township assistance and the processing of applications must be: . . . proposed by the township trustee, adopted by the township board, and filed with the board of county commissioners;

2. No evidence was presented for examination to indicate that investigations were performed.

Indiana Code 12-20-6-9 states in part: "If an application for township assistance is made to the township trustee . . . the township trustee . . . shall carefully investigate the circumstances of the applicant and each member of the applicant's household. . ."

OFFICIAL BOND

The Township Trustee's official bond 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 . . ."

REPUBLICAN TOWNSHIP, JEFFERSON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on April 12, 2007, with Fred L. Stilwell, Trustee. The official concurred with our findings.