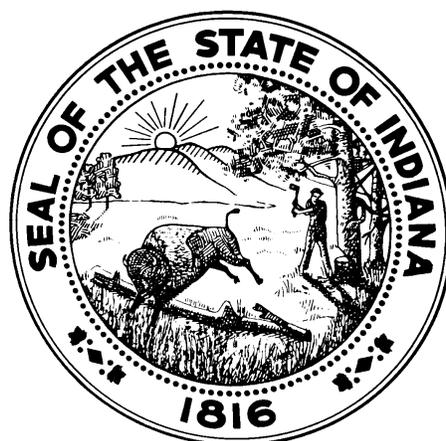


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
COLFAX TOWNSHIP
NEWTON COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
05/09/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Cheryl Miller George S. Hillis	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Chairman of the Township Board	Shirley Miller Darlene Wilson	01-01-06 to 12-31-06 01-01-07 to 12-31-08



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF COLFAX TOWNSHIP, NEWTON COUNTY, INDIANA

We have examined the financial information presented herein of Colfax 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

March 20, 2008

COLFAX TOWNSHIP, NEWTON COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL 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	\$ 25,845	\$ 6,076	\$ 11,415	\$ 20,506
Dog	300	-	-	300
Township Assistance	4,855	8,298	1,518	11,635
Firefighting	5,367	4,749	5,063	5,053
Levy Excess	-	143	-	143
Donation Fund	161,808	81,414	57,065	186,157
Totals	<u>\$ 198,175</u>	<u>\$ 100,680</u>	<u>\$ 75,061</u>	<u>\$ 223,794</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 20,506	\$ 5,884	\$ 12,805	\$ 13,585
Dog	300	-	300	-
Township Assistance	11,635	1,049	1,679	11,005
Firefighting	5,053	3,835	5,000	3,888
Levy Excess	143	-	-	143
Donation Fund	186,157	74,753	4,953	255,957
Totals	<u>\$ 223,794</u>	<u>\$ 85,521</u>	<u>\$ 24,737</u>	<u>\$ 284,578</u>

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

COLFAX TOWNSHIP, NEWTON 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.

COLFAX TOWNSHIP, NEWTON COUNTY
EXAMINATION RESULTS AND COMMENTS

DONATIONS

The Donation Fund which is funded primarily by landfill hosts fees, donated monies to several community service organizations. The Township donated playground equipment to the Lakes States Dairy Center, which had a cost of \$29,331 in December 2006.

Governmental funds should not be donated or given to other organizations, individuals, or governmental units unless specifically authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

APPROPRIATIONS

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

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
Township	2007	\$ 12,805
Township Assistance	2007	1,679
Firefighting	2007	5,000

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."

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were incorrect. The bank shows a cash short of \$192.

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."

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)

COLFAX TOWNSHIP, NEWTON COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

CONTRACTS

Records presented for examination indicate some payments were made to Lincoln Township Volunteer Fire Department for \$5,000 in 2007 without a contract.

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)

DEPOSIT OF PUBLIC FUNDS

We noted instances where the Trustee was not making timely deposits of township funds. Host fees paid to the township totaling \$52,025.39 were deposited at least 161 days after the original date of the check. The checks were mailed to the prior Township Trustee and not forwarded to the current official.

Indiana Code 5-13-6-1(c) states in part: "The public funds collected by township trustees shall be deposited in the designated depository on or before the first or fifteenth day of each month."

DISBURSEMENT DOCUMENTATION

Several payments were observed which did not contain adequate supporting documentation for cash disbursements.

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)

ANNUAL REPORT

The annual report for 2007 presented for examination consisted of numerous errors. The annual report was not published in a local newspaper.

Indiana Code 5-11-1-4(a) states in part: "Within thirty (30) days after the expiration of each calendar year, the fiscal officer of each township in Indiana shall publish an annual report of the receipts and expenditures of the township . . ."

COLFAX TOWNSHIP, NEWTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 20, 2008, with George S. Hillis, Trustee. The official concurred with our findings.