

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

EXAMINATION REPORT
OF
JEFFERSON TOWNSHIP
SWITZERLAND COUNTY, INDIANA
March 17, 2006 to December 31, 2007



FILED
11/24/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Carol Ann Sublett (Interim)	03-17-06 to 04-04-06
	Roberta Scudder	04-05-06 to 12-31-06
	Lowell W. Sullivan	01-01-07 to 12-31-10
Chairman of the Township Board	Roberta Scudder	01-01-06 to 04-04-06
	Carol Ann Sublett	04-05-06 to 12-31-06
	Roberta Scudder	01-01-07 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF JEFFERSON TOWNSHIP, SWITZERLAND COUNTY, INDIANA

We have examined the financial information presented herein of Jefferson Township (Township), for the period of March 17, 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 periods 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

September 22, 2008

JEFFERSON TOWNSHIP, SWITZERLAND 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, 2006 And 2007

	Cash and Investments 03-17-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ (38,775)	\$ 35,262	\$ 30,514	\$ (34,027)
Dog	151	-	-	151
Township Assistance	17,155	20,850	23,536	14,469
Firefighting	15,005	10	1,295	13,720
Riverboat	19,432	31,252	6,635	44,049
Fiduciary Fund:				
Payroll Withholdings	3,949	1,293	4,372	870
Totals	<u>\$ 16,917</u>	<u>\$ 88,667</u>	<u>\$ 66,352</u>	<u>\$ 39,232</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ (34,027)	\$ 37,856	\$ 829	\$ 3,000
Dog	151	-	-	151
Township Assistance	14,469	23,105	23,704	13,870
Firefighting	13,720	2,057	9,486	6,291
Riverboat	44,049	37,497	45,592	35,954
Fiduciary Fund:				
Payroll Withholdings	870	4,772	4,927	715
Totals	<u>\$ 39,232</u>	<u>\$ 105,287</u>	<u>\$ 84,538</u>	<u>\$ 59,981</u>

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

JEFFERSON TOWNSHIP, SWITZERLAND 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.

JEFFERSON TOWNSHIP, SWITZERLAND COUNTY
EXAMINATION RESULTS AND COMMENTS

TOWNSHIP ASSISTANCE PROCEDURES

We found the following deficiencies regarding the processing of Township Assistance:

1. Applications for Township Assistance (Form TA-1) were not on file for 5% of applications reviewed and 5% of the applications reviewed were not completely filled out.

Indiana Code 12-20-6-1(a) states:

"A township trustee may not extend aid to an individual or a household unless an application and affidavit setting forth the personal condition of the individual or household has been filed with the trustee within one hundred eighty (180) days before the date aid is extended."

2. There were no investigations documented for 70% of the applications reviewed.

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 . . ."

3. Invoices/receipts were not attached to the Township Assistance Purchase Order (Form TA-2) for 31% of the purchases reviewed.

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)

4. Township Assistance Purchase Orders (Form TA-2) were not signed by the applicant and vendor for 5% of the purchase orders reviewed.

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)

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

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The Township did not issue Internal Revenue Service Form 1099 MISC to individuals paid for cemetery care services.

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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)

OVERDRAWN APPROPRIATIONS

The following expenditures exceeded approved appropriations:

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
Fire Fighting	2007	\$ 3,486
Riverboat	2007	14,592

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."

JEFFERSON TOWNSHIP, SWITZERLAND COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 22, 2008, with Lowell W. Sullivan, Trustee; and Rita Sullivan, Township Clerk.