

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

EXAMINATION REPORT
OF
COLUMBIA TOWNSHIP
DUBOIS COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
12/03/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Lorrie G. Smock Larry Gene Hall	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Chairman of the Township Board	Melvin Leistner	01-01-06 to 12-31-08



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF COLUMBIA TOWNSHIP, DUBOIS COUNTY, INDIANA

We have examined the financial information presented herein of Columbia 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

October 22, 2008

COLUMBIA TOWNSHIP, DUBOIS 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	\$ 18,480	\$ 12,972	\$ 12,679	\$ 18,773
Dog	475	-	475	-
Township Assistance	5,495	150	250	5,395
Levy Excess	721	-	-	721
Totals	<u>\$ 25,171</u>	<u>\$ 13,122</u>	<u>\$ 13,404</u>	<u>\$ 24,889</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 18,773	\$ 21,695	\$ 13,499	\$ 26,969
Township Assistance	5,395	-	325	5,070
Levy Excess	721	-	-	721
Totals	<u>\$ 24,889</u>	<u>\$ 21,695</u>	<u>\$ 13,824</u>	<u>\$ 32,760</u>

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

COLUMBIA TOWNSHIP, DUBOIS 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.

COLUMBIA TOWNSHIP, DUBOIS COUNTY
EXAMINATION RESULTS AND COMMENTS

IMPROPER POSTING OF TAX DISTRIBUTIONS

The 2007 tax distributions (general property, license excise, and CVET) that were for the Township Assistance Fund were receipted into the Township General Fund. Also, the 2007 supplemental COIT distribution that was to be receipted into a Rainy Day Fund was also receipted into the Township General Fund. The Rainy Day Fund was never established.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Supplemental distributions of COIT money should be deposited in accordance with IC 6-3.5-6-17.3 which states in part (b) "A supplemental distribution described in subsection (a) must be: (1) made in January of the ensuing calendar year; and (2) allocated in the same manner as certified distributions for deposit in a civil unit's rainy day fund established under IC 36-1-8-5.1." (Township Bulletin and Uniform Compliance Guidelines, Volume 278)

COMPENSATION AND BENEFITS

The Township Trustee, Clerk, and Board members received compensation as set in the salary resolution for calendar years 2006 and 2007; however, the compensation was not included in the payroll system or properly reported. Mowing contractors were paid in excess of \$600 without a Form 1099 being issued by the Township.

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)

DISBURSEMENTS

Several payments were observed which did not contain adequate supporting documentation such as receipts, and invoices. Due to the lack of supporting information, the validity and accountability for some monies disbursed could not be established. Sales tax was paid on several purchases.

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)

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

COLUMBIA TOWNSHIP, DUBOIS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 22, 2008, with Larry Gene Hall, Trustee. The official concurred with our findings.