

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

EXAMINATION REPORT  
OF  
NINEVEH TOWNSHIP  
JOHNSON COUNTY, INDIANA  
January 1, 2006 to December 31, 2007



**FILED**

07/21/2009



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OFFICIALS

Office

Official

Term

Trustee

Sandra J. Nichols  
Dale Mitchell (Interim)  
Janet J. Renner

08-14-04 to 02-29-08  
03-01-08 to 03-31-08  
04-01-08 to 12-31-10

Chairman of the  
Township Board

Dale Mitchell

01-01-06 to 12-30-09



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF NINEVEH TOWNSHIP, JOHNSON COUNTY, INDIANA

We have examined the financial information presented herein of Nineveh 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

April 14, 2009

NINEVEH TOWNSHIP, JOHNSON 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 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 12,201	\$ 16,812	\$ 17,512	\$ 11,501
Township Assistance	5,224	16,585	6,488	15,321
Dog	861	-	561	300
Rainy Day	585	-	-	585
Fiduciary Fund:				
Payroll Withholdings	-	1,037	409	628
Totals	<u>\$ 18,871</u>	<u>\$ 34,434</u>	<u>\$ 24,970</u>	<u>\$ 28,335</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 11,501	\$ 28,116	\$ 16,985	\$ 22,632
Township Assistance	15,321	9,160	10,548	13,933
Dog	300	-	300	-
Rainy Day	585	847	-	1,432
Fiduciary Fund:				
Payroll Withholdings	628	962	962	628
Totals	<u>\$ 28,335</u>	<u>\$ 39,085</u>	<u>\$ 28,795</u>	<u>\$ 38,625</u>

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

NINEVEH TOWNSHIP, JOHNSON 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: 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. 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.

NINEVEH TOWNSHIP, JOHNSON COUNTY  
EXAMINATION RESULTS AND COMMENTS

PENALTIES, INTEREST, AND OTHER CHARGES

Penalties and interest described below totaling \$593.87 were levied by the Internal Revenue Service (IRS). A letter from Heartland Community Bank dated December 29, 2006, was observed informing the Trustee that a 21-day hold has been placed on the bank account by the IRS. The IRS "Notice of Levy" indicated that the Notice was for payroll taxes for the period ending September 30, 2004 and December 31, 2004. The amount of \$571.80 was levied from the Township's general bank account on January 19, 2007. This amount included \$261.37 for penalties and interest.

A second IRS "Notice of Levy" was received by the Johnson County Auditor's Office on June 11, 2007, for the payroll tax periods ending March 31, 2005 and June 30, 2005. The amount of \$929.43 was deducted from the Township's General Fund Property Tax Distribution from the Johnson County in June 2007. The amount included \$332.50 for penalties and interest.

The following table summarizes the interest and penalties assessed by the Internal Revenue Service for the two levies.

<u>Quarter</u>	<u>Penalties</u>	<u>Interest</u>	<u>Totals</u>
3rd 2004	\$ 39.28	\$ 3.49	\$ 42.77
4th 2004	181.35	37.25	218.60
1st 2005	93.10	30.89	123.99
2nd 2005	<u>158.80</u>	<u>49.71</u>	<u>208.51</u>
	<u>\$ 472.53</u>	<u>\$ 121.34</u>	<u>\$ 593.87</u>

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

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)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The Township did not comply with directives of a State Agency by not submitting a Form 100 R as required.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

NINEVEH TOWNSHIP, JOHNSON COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

OFFICIAL BOND

The following official bond was not filed in the Office of the County Recorder:

Township Trustee, Saundra Nichols for 2006 and 2007

IC 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 . . ."

RECEIPT ISSUANCE

Receipts were not issued during the examination period.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13).

DEPOSIT OF PUBLIC FUNDS

The July 2006 tax settlement check was not deposited in the bank until December 29, 2006. Additionally, we noted that one check from the Treasurer of Johnson County that was issued on December 5, 2006, was not deposited as of December 31, 2007.

IC 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 and fifteenth day of each month."

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. A similar comment also appeared in prior Report B28118.

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)

CONTRACTS

Records presented for examination indicate payments were made to an individual for cemetery maintenance in 2006 without a contract. A similar comment appeared in prior Report B28118.

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)

NINEVEH TOWNSHIP, JOHNSON COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

OPTICAL IMAGES OF CHECKS

The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned an optical image of only the front side of the checks. A similar comment appeared in prior Report B28118.

IC 5-15-6-3(a) concerning optical imaging of checks states in part:

". . . 'original records' includes the optical image of a check or deposit document when:

- (1) the check or deposit document is recorded, copied, or reproduced by an optical imaging process . . . ; and
- (2) the drawer of the check receives an optical image of the check after the check is processed for payment . . ."

Furthermore, IC 26-2-8-111 states in part:

"(a) If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:

- (1) accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise; and
- (2) remains accessible for later reference."

"(e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a)."

BOARD MINUTES

Minutes of meetings of the governing body were not available for examination. A similar comment appeared in prior Report B28118.

IC 5-14-1.5-4(b) states:

"As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes taken, by individual members if there is a roll call.
- (5) Any additional information required under IC 5-1.5-2-2.5 or IC 20-12-63-7.2."

NINEVEH TOWNSHIP, JOHNSON COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

PREScribed FORMS

The following prescribed forms were not in use:

Township Form 17 Resolution Establishing Salaries of Township Officers and Employees  
General Form 101 Mileage  
Township Assistance Form TA-1A Notice of Township Assistance Action  
Poor Relief Form TA-1

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)

PUBLIC RECORDS RETENTION

Budget records for 2007 were not presented for examination. A similar comment appeared in prior Report B28118.

IC 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

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)

NINEVEH TOWNSHIP, JOHNSON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on April 14, 2009, with Janet J. Renner, Trustee; and J.P. Renner, Township Assistance Clerk. The official response has been made a part of this report and may be found on page 11.

The contents of this report were discussed on April 16, 2009, with Sandra J. Nichols, former Trustee.

April 22, 2009

Indiana State Board of Accounts  
302 West Washington Street  
Room E418  
Indianapolis, IN 46204-2765

## OFFICIAL RESPONSE

An exit conference was conducted on April 14, 2009 for audit periods 1/1/2006 thru 12/31/2007. For the record, I was appointed the Nineveh Township Trustee in April, 2008. Therefore, none of the examination results and comments was under my watch, but that of Sandra Nichols.

During the actual audit, the findings and comments were discussed with me knowing that I was not the responsible person. However, I do concur with the results and have worked since then to make all corrections and recommendations a part of my current operating procedures.

Sincerely,



Janet J. Renner  
Trustee, Nineveh Township

**Janet Renner**  
Nineveh Township Trustee  
PO BOX 573  
NINEVEH, INDIANA 46164