

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

EXAMINATION REPORT  
OF  
JEFFERSON TOWNSHIP  
SULLIVAN COUNTY, INDIANA  
January 1, 2007 to December 31, 2008



**FILED**  
01/22/2010



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OFFICIALS

Office

Official

Term

Trustee

Frank Mejean

01-01-07 to 12-31-10

Chairman of the  
Township Board

Don Bedwell  
Loran Mejean  
Don Bedwell

01-01-07 to 12-31-07  
01-01-08 to 12-31-08  
01-01-09 to 12-31-09



**STATE OF INDIANA**  
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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Jefferson Township (Township), for the period of January 1, 2007 to December 31, 2008. 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, 2007 and 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

November 24, 2009

JEFFERSON TOWNSHIP, SULLIVAN 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, 2007 And 2008

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ (2,018)	\$ 28,789	\$ 17,258	\$ 9,513
Dog	214	-	214	-
Township Assistance	16,080	4,500	8,436	12,144
Firefighting	(11,839)	16,509	13,820	(9,150)
Park and Recreation	(7,204)	23,334	17,971	(1,841)
Cumulative Fire	19,335	4,479	9,000	14,814
Fiduciary Fund:				
Payroll Withholdings	<u>(2,045)</u>	<u>-</u>	<u>3,472</u>	<u>(5,517)</u>
Totals	<u>\$ 12,523</u>	<u>\$ 77,611</u>	<u>\$ 70,171</u>	<u>\$ 19,963</u>
	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 9,513	\$ 26,070	\$ 20,086	\$ 15,497
Township Assistance	12,144	1	8,940	3,205
Firefighting	(9,150)	10,217	10,478	(9,411)
Park and Recreation	(1,841)	21,959	22,980	(2,862)
Cumulative Fire	14,814	4,543	5,225	14,132
Fiduciary Fund:				
Payroll Withholdings	<u>(5,517)</u>	<u>-</u>	<u>-</u>	<u>(5,517)</u>
Totals	<u>\$ 19,963</u>	<u>\$ 62,790</u>	<u>\$ 67,709</u>	<u>\$ 15,044</u>

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

JEFFERSON TOWNSHIP, SULLIVAN 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 IC 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, SULLIVAN COUNTY  
EXAMINATION RESULTS AND COMMENTS

DISBURSEMENT DOCUMENTATION

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.

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)

TEMPORARY LOAN

Temporary loans were made between funds that have not been repaid by November 23, 2009, as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2007</u>	<u>2008</u>
Cumulative Fire	Township	\$ -	\$ 2,500
	Recreation	4,500	2,500
	Fire	4,500	-
Township Assistance	Township	-	3,500
	Recreation	-	3,500

IC 36-1-8-4 concerning temporary loans states in part:

"(a) . . . (3) Except as provided in subsection (b), the prescribed period must end during the budget year of the year in which the transfer occurs. (4) The amount transferred must be returned to the other fund at the end of the prescribed period . . ."

"(b) If the fiscal body of a political subdivision determines that an emergency exists that requires an extension of the prescribed period of a transfer under this section, the prescribed period may be extended for not more than six (6) months beyond the budget year of the year in which the transfer occurs if the fiscal body does the following: (1) Passes an ordinance or a resolution that contains the following: (A) A statement that the fiscal body has determined that an emergency exists. (B) A brief description of the grounds for the emergency. (C) The date the loan will be repaid that is not more than six (6) months beyond the budget year in which the transfer occurs. (2) Immediately forwards the ordinance or resolution to the state board of accounts and the Department of Local Government Finance."

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

ADVANCE PAYMENTS

An individual received \$3,100 in 2008 for contractual services not performed until 2009.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OVERDRAWN FUND BALANCES

The Fire Fund, Park and Recreation Fund, and Payroll Fund were overdrawn in 2007 and 2008.

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (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>
Fire	2007	\$ 1,510
Park and Recreation	2007	1,871
Fire	2008	7,607
Park and Recreation	2008	6,796

IC 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, SULLIVAN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on November 24, 2009, with Antonnette Mejean, Clerk. The official concurred with our findings.