

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

EXAMINATION REPORT
OF
JEFFERSON TOWNSHIP
WELLS COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
05/11/2010

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OFFICIALS

Office

Official

Term

Trustee

Richard L. McCoy

01-01-07 to 12-31-10

Chairman of the
Township Board

Curtis D. Rupright

01-01-08 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Jefferson Township (Township), for the period of January 1, 2008 to December 31, 2009. 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, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

April 8, 2010

JEFFERSON TOWNSHIP, WELLS COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 33,222	\$ 34,613	\$ 32,763	\$ 35,072
Township Assistance	23,006	18,858	16,465	25,399
Firefighting	29,576	26,279	24,497	31,358
Park and Recreation	3	-	-	3
Levy Excess	1,455	-	791	664
Cumulative Fire	36,074	115,542	125,000	26,616
Totals	<u>\$ 123,336</u>	<u>\$ 195,292</u>	<u>\$ 199,516</u>	<u>\$ 119,112</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 35,072	\$ 36,243	\$ 37,721	\$ 33,594
Township Assistance	25,399	28,266	28,684	24,981
Firefighting	31,358	30,256	28,589	33,025
Park and Recreation	3	-	-	3
Levy Excess	664	-	-	664
Cumulative Fire	26,616	19,398	19,901	26,113
Rainy Day	-	3,152	-	3,152
Totals	<u>\$ 119,112</u>	<u>\$ 117,315</u>	<u>\$ 114,895</u>	<u>\$ 121,532</u>

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

JEFFERSON TOWNSHIP, WELLS 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, WELLS COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
December 31, 2009

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Machinery and equipment	<u>\$ 676,144</u>

JEFFERSON TOWNSHIP, WELLS COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Loan payable	\$ 80,943	\$ 19,087

JEFFERSON TOWNSHIP, WELLS COUNTY
EXAMINATION RESULTS AND COMMENTS

ADVANCE PAYMENTS

The Township Clerk was paid \$3,700 on July 31, 2008, for office rent for 2008 and on May 11, 2009, the Township Clerk was paid \$5,900 for office rent for 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)

IC 36-6-8-3 states in part:

"(a) The annual appropriations to a township executive for the expenses of renting an office and telephone and telegraph expenses must, as nearly as is possible, be equal to the actual cost of those items. If the township executive uses a part of the executive's residence for an office, the township legislative body shall appropriate a reasonable sum for that office space."

COMPENSATION AND BENEFITS – OVERPAYMENT OF SALARY

The Township Clerk on December 8, 2009, received \$2,650 in compensation for being the Township Assistance Administrator which had already been paid to the Township Trustee. The \$2,650 was reimbursed by the Township Trustee on April 8, 2010.

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)

CONDITION OF RECORDS

The Trustee received compensation in the amount of \$12,650 for the year 2008 of which \$3,480 was posted to the appropriation of "salary of trustee" and the remaining \$9,170 was posted to the appropriation "social security matching". The Trustee received compensation, in 2009, in the amount of \$14,150. The entire amount was posted to the appropriation "social security matching". As a result of these posting errors, the Township Annual Report did not properly report the actual compensation paid to the Township Trustee.

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)

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)

JEFFERSON TOWNSHIP, WELLS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 8, 2010, with Richard L. McCoy, Trustee.

JEFFERSON TOWNSHIP, WELLS COUNTY
SUMMARY

	Charges	Credits	Balance Due
Richard L. McCoy, Trustee:			
Compensation and Benefits -			
Overpayment of Salary, page 8	\$ 2,650	\$	\$
Reimbursed April 8, 2010		2,650	-
Totals	\$ 2,650	\$ 2,650	\$ -