

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

AUDIT REPORT
OF

FISCAL OFFICER
NORTHWEST INDIANA HEALTH
DEPARTMENT COOPERATIVE
LAKE COUNTY, INDIANA

January 1, 2009 to December 31, 2010



FILED
09/07/2011

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Cooperative Officials	2
Transmittal Letter	3
Audit Results and Comments:	
Finance Charges, Late Fees, and Indiana Sales Taxes	4
Public Official Bond	4
Exit Conference.....	5
Official Response	6
Summary	7

COOPERATIVE OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Fiscal Officer	Charles Pacurar Kimberly Anderson (Interim)	01-01-09 to 07-17-11 07-18-11 to 12-31-11
Executive Director	Dr. Ricardo C. Hood	01-01-09 to 12-31-11
Project Director	Rise Ratney	01-01-09 to 12-31-11
President of the Governing Board	Commissioner Roosevelt Allen, Jr.	01-01-09 to 12-31-11



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

TO: THE OFFICIALS OF THE NORTHWEST INDIANA HEALTH DEPARTMENT COOPERATIVE

We have audited the records of the Fiscal Officer for the period from January 1, 2009 to December 31, 2010, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Results and Comments. The financial transactions of this office are reflected in the Biennial Report of the Northwest Indiana Health Department Cooperative for the years 2009 and 2010.

STATE BOARD OF ACCOUNTS

August 10, 2011

FISCAL OFFICER
NORTHWEST INDIANA HEALTH DEPARTMENT COOPERATIVE
AUDIT RESULTS AND COMMENTS

FINANCE CHARGES, LATE FEES, AND INDIANA SALES TAXES

The Northwest Indiana Health Department Cooperative (Health Department Cooperative) leases a postage machine from a company known as Purchase Power. The postage machine generates a monthly report detailing the amount of postage used. Each month, Purchase Power sends the Cooperative an invoice detailing any charges for the month. If payment is not received in a timely manner, Purchase Power assesses finance charges and late fees.

The Health Department Cooperative incurred, and subsequently paid, late fees, finance charges, and Indiana sales taxes totaling \$314.15 during 2009 and 2010. The fees and finance charges were attributed to the late payment of invoices for postage and failure to pay the entire balance when due. The Indiana sales taxes were invoiced and subsequently paid on the purchase of supplies for the postage machine. The breakdown by year is as follows: \$135.72 from 2009 and \$178.43 from 2010. We requested the former Fiscal Officer, Charles Pacurar, reimburse the Cooperative \$314.15 for the late fees, finance charges, and Indiana sales taxes. (See Summary, page 7)

The former Fiscal Officer asked the Project Director to repay the \$314.15 to the Cooperative since she was responsible for reviewing all the vendor payments from the federal grant; however, the Project Director did not repay the \$314.15 to the Cooperative. On August 24, 2011, Dr. Ricardo C. Hood, Executive Director, paid the \$314.15 to the Cooperative. (See Summary, page 7)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. 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 Special Districts, Chapter 10)

Governmental units are eligible for an exemption from the state sales tax on purchases. 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 Special Districts, Chapter 10)

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 Special Districts, Chapter 10)

PUBLIC OFFICIAL BOND

The East Chicago City Controller is the Fiscal Officer for the Northwest Indiana Health Department Cooperative. The East Chicago City Controller has a \$300,000 official bond from Ohio Casualty Insurance Company, bond 3-807-387, covering January 1, 2010 to December 31, 2010, and January 1, 2009 to December 31, 2009.

FISCAL OFFICER
NORTHWEST INDIANA HEALTH DEPARTMENT COOPERATIVE
EXIT CONFERENCE

The contents of this report were discussed on August 10, 2011, with Kimberly Anderson, Interim Fiscal Officer; Dr. Ricardo C. Hood, Executive Director; Rise Ratney, Project Director; and Commissioner Roosevelt Allen, Jr., President of the Governing Board. The Official Response has been made a part of this report and may be found on page 6.



Northwest Indiana Healthy Start

6939 Grand Avenue, Hammond, IN 46323 • (219) 989-3939 • Fax (219) 989-3930 • www.nwihs.com

AUDIT RESPONSE

FINANCE CHARGES, LATE FEES, AND INDIANA SALES TAXES

The Management Board of the Northwest Indiana Health Department Cooperative meets on a monthly basis to review and approve claims. Due to timing differences between the monthly meetings and the invoice due dates finance charges and late fees were assessed. The Governing Board of the Northwest Indiana Health Department Cooperative is currently addressing possible solutions to this problem. The Board has approved a resolution allowing the prepayment of certain claims and the Executive Director, Ricardo Hood has reimbursed the Cooperative \$314.15 for the finance charges and late fees that were paid.

FISCAL OFFICER
NORTHWEST INDIANA HEALTH DEPARTMENT COOPERATIVE
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Charles Pacurar, former Fiscal Officer: Finance Charges, Late Fees, and Indiana Sales Taxes, page 4	\$ 314.15	\$	\$
Paid by Dr. Ricardo C. Hood, Executive Director: Receipt 848106, August 24, 2011	<u> </u>	314.15	<u> </u>
Totals	<u>\$ 314.15</u>	<u>\$ 314.15</u>	<u>\$ -</u>