

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

EXAMINATION REPORT
OF
SHEFFIELD TOWNSHIP
TIPPECANOE COUNTY, INDIANA
January 1, 2007 to December 31, 2009



FILED
09/14/2011

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5
Examination Results and Comments:	
Official Bond Compliance	6-7
Board Minutes.....	7
Advance Payment	7
Official Bond and Public Agency Multi-Class Liability Insurance Information	8
Exit Conference.....	9
Summary	10
Affidavit	11

OFFICIALS

Office

Official

Term

Trustee

Pamela J. Crum

01-01-07 to 12-31-14

Chairman of the
Township Board

Jerry D. Arvin

01-01-07 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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF SHEFFIELD TOWNSHIP, TIPPECANOE COUNTY, INDIANA

We have examined the financial information presented herein of Sheffield Township (Township) for the period of January 1, 2007 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, 2007, 2008, and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

July 13, 2011

SHEFFIELD TOWNSHIP, TIPPECANOE COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES

As Of And For The Years Ended December 31, 2007, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 275,089	\$ 41,352	\$ 45,586	\$ 270,855
Dog	243	-	243	-
Township Assistance	20,824	2,294	3,009	20,109
Firefighting	297,501	65,056	61,206	301,351
Rainy Day	163	-	-	163
Cumulative Fire	<u>175,198</u>	<u>17,710</u>	<u>7,996</u>	<u>184,912</u>
Totals	<u>\$ 769,018</u>	<u>\$ 126,412</u>	<u>\$ 118,040</u>	<u>\$ 777,390</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 270,855	\$ 36,799	\$ 51,549	\$ 256,105
Township Assistance	20,109	3,963	3,796	20,276
Firefighting	301,351	79,415	82,061	298,705
Rainy Day	163	-	-	163
Cumulative Fire	<u>184,912</u>	<u>39,881</u>	<u>12,081</u>	<u>212,712</u>
Totals	<u>\$ 777,390</u>	<u>\$ 160,058</u>	<u>\$ 149,487</u>	<u>\$ 787,961</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 256,105	\$ 32,297	\$ 188,971	\$ 99,431
Township Assistance	20,276	15,268	10,909	24,635
Firefighting	298,705	104,703	91,779	311,629
Rainy Day	163	-	-	163
Cumulative Fire	<u>212,712</u>	<u>38,034</u>	<u>15,000</u>	<u>235,746</u>
Totals	<u>\$ 787,961</u>	<u>\$ 190,302</u>	<u>\$ 306,659</u>	<u>\$ 671,604</u>

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

SHEFFIELD TOWNSHIP, TIPPECANOE 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, 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 or highway use taxes are received 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.

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.

SHEFFIELD TOWNSHIP, TIPPECANOE COUNTY
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND COMPLIANCE

Pamela J. Crum, Township Trustee, was covered by an official bond for the term beginning January 1, 2007, until a successor was duly qualified. The principal and surety were bound to the State of Indiana in the amount of \$15,000. The official bond was recorded in the office of the Tippecanoe County Recorder on January 19, 2007. However, it was not first approved by the Tippecanoe County Auditor.

The official bond of Pamela J. Crum, Township Trustee, for 2008 was not approved by the Tippecanoe County Auditor or recorded in the office of the Tippecanoe County Recorder.

The amount of the official bond of Pamela J. Crum, Township Trustee, for 2009 was not increased from \$15,000 to \$30,000 on July 1, 2009, as required by state statute. The 2009 official bond was not approved by the Tippecanoe County Auditor or recorded in the office of the Tippecanoe County Recorder.

No official bond for Pamela J. Crum, Township Trustee, for 2010 had been recorded in the office of the Tippecanoe County Recorder. A copy of the bond obtained during the examination indicated that the coverage was for \$15,000 rather than the statutorily required \$30,000. The official bond had not been approved by the Tippecanoe County Auditor.

The official bond shall be approved by the county auditor. IC 5-4-1-8 (Accounting and Uniform Compliance Guidelines Manuals for Townships, Chapter 1)

The bond shall be filed in the office of the county recorder in the county of residence of the trustee. IC 5-4-1-5.1 (Accounting and Uniform Compliance Guidelines Manuals for Townships, Chapter 1)

The trustee shall file an individual official surety bond. The township board shall fix the amount of the bond as follows: (1) The amount of annual coverage must equal (\$30,000) thirty thousand dollars for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2). (2) The amount of annual coverage may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount of annual coverage for the officer or employee. The township board may, by resolution, authorize blanket bond coverage for the aforementioned. IC 5-4-1-18 (Accounting and Uniform Compliance Guidelines Manuals for Townships, Chapter 1)

Indiana Code 5-4-1-8 states in part:

"(a) The official bonds of officers, if sufficient, shall be approved as follows: . . .

(3) Of county assessor, township trustee, and township assessor (if any), by the county auditor. . . .

(b) A person who approves an official bond shall write the approval on the bond.

(c) A bond must be approved before it is filed."

SHEFFIELD TOWNSHIP, TIPPECANOE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Indiana Code 5-4-1-5.1(b) states in part:

"Every elected or appointed officer, official, deputy, or employee of a political subdivision who is required by section 18 of this chapter to file an official bond for the faithful performance of duty, except the county recorder and deputies and employees of the recorder, shall file the bond in the office of the county recorder in the county of residence of the officer, official, deputy, or employee. . . ."

BOARD MINUTES

Certain minutes of meetings of the governing body were not clear in the record of votes taken on issues or the decisions reached by the governing board.

Indiana Code 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."

ADVANCE PAYMENT

Pamela J. Crum, Township Trustee, issued a check for \$332,970 to Elite Fire Apparatus on October 24, 2006. The check was to prepay for the manufacture of a fire truck to be delivered in 2007. Elite Fire Apparatus was placed in receivership on November 2, 2007, and ceased operations on that date. No fire truck was or will be delivered to Sheffield Township nor has a refund of the prepayment been made.

We are requesting repayment from Pamela J. Crum, Township Trustee, who signed the check to Elite Fire Apparatus in prepayment of the fire truck. We are also requesting repayment from Alan Finkenbinder, the estate of Roberta J. Blosser, and Jerry D. Arvin, members of the Township Board in 2006, who authorized the purchase and prepayment of the fire truck as well as approved an additional appropriation for the payment. (See Summary, page 10)

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 19)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

SHEFFIELD TOWNSHIP, TIPPECANOE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

OFFICIAL BOND AND PUBLIC AGENCY MULTI-CLASS LIABILITY INSURANCE INFORMATION

Pamela J. Crum, Township Trustee, was covered by an Ohio Farmers Insurance Co. Indiana Public Official Bond for the term beginning January 1, 2006, until a successor was duly qualified. The principal and surety were bound to the State of Indiana in the amount of \$15,000. The official bond was recorded in the office of the Tippecanoe County Recorder on March 7, 2006.

Pamela J. Crum, Township Trustee, was covered by a Fidelity and Deposit Company of Maryland Official Bond for the term beginning January 1, 2007, until a successor was duly qualified. The principal and surety were bound to the State of Indiana in the amount of \$15,000. The official bond was recorded in the office of the Tippecanoe County Recorder on January 19, 2007.

Sheffield Township was covered by a public agency multi-class liability insurance policy, policy number NFC02786, for the period July 11, 2006 to July 11, 2007. The insurer was National Fire & Casualty Company through authorized agent Bliss McKnight of Indiana, Inc. The insured's agent was Johnson & Malott Insurance, Inc., P. O. Box 643, 103 N. Green St., Crawfordsville, IN 47933. Coverage under this policy included public officials liability for the trustee, clerk, and board members. The company's limit of liability for all such coverage was: \$500,000 aggregate and \$500,000 general liability per occurrence. The deductible for errors or omissions liability was \$2,500.

SHEFFIELD TOWNSHIP, TIPPECANOE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 13, 2011, with Pamela J. Crum, Township Trustee; Jerry D. Arvin, Chairman of the Township Board; and Alan Finkenbinder, former member of the Township Board.

SHEFFIELD TOWNSHIP, TIPPECANOE COUNTY
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Pamela J. Crum, Township Trustee; Alan Finkenbinder, former 2006 Board member; the estate of Roberta J. Blosser, former 2006 Board member; and Jerry D. Arvin, former 2006 Board member, jointly and severally: Advance Payment, page 7	<u>\$ 332,970</u>	<u>\$ -</u>	<u>\$ 332,970</u>

AFFIDAVIT

STATE OF INDIANA)
)
Tippecanoe COUNTY)

I, Luanne Lingenfelter, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records of the Sheffield Township Trustee, Tippecanoe County, Indiana, for the period from January 1, 2007 to December 31, 2009, is true and correct to the best of my knowledge and belief.

Luanne Lingenfelter
Field Examiner

Subscribed and sworn to before me this 1st day of September, 2011.

Christie Coffey
Notary Public

Clerk Tippecanoe Circuit Court

My Commission Expires: _____

County of Residence: _____