

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

JEFFERSON TOWNSHIP

ALLEN COUNTY, INDIANA

January 1, 2010 to December 31, 2012



**FILED**  
12/17/2013



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Robert Tepin	01-01-10 to 12-31-13
Chairman of the Township Board	Daniel Bremer	01-01-10 to 12-31-13



**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](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the accompanying financial statements of Jefferson Township (Township) for the period of January 1, 2010 to December 31, 2012. The financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on the financial statements 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 statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Township for the period of January 1, 2010 to December 31, 2012.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Township for the period of January 1, 2010 to December 31, 2012, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Township's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

November 26, 2013

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## FINANCIAL STATEMENTS

The financial statements and accompanying notes were approved by management of the Township. The financial statements and notes are presented as intended by the Township.

JEFFERSON TOWNSHIP, ALLEN COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2010

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Township	\$ 22,245	\$ 27,491	\$ 15,349	\$ 34,387
Township Assistance	18,294	9,770	2,283	25,781
Fire Fighting	27,523	84,023	44,772	66,774
Cumulative Fire	25,887	29,053	-	54,940
Park and Recreation	14,526	11,419	10,520	15,425
Levy Excess	-	320	-	320
Rainy Day	1,854	-	-	1,854
Emergency Medical	16,336	36,586	25,360	27,562
Totals	<u>\$ 126,665</u>	<u>\$ 198,662</u>	<u>\$ 98,284</u>	<u>\$ 227,043</u>

The notes to the financial statements are an integral part of this statement.

JEFFERSON TOWNSHIP, ALLEN COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Years Ended December 31, 2011 And 2012

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11	Receipts	Disbursements	Cash and Investments 12-31-12
Township	\$ 34,387	\$ 16,099	\$ 24,464	\$ 26,022	\$ 17,059	\$ 15,662	\$ 27,419
Emergency Medical	27,562	25,298	33,770	19,090	25,800	19,045	25,845
Park and Recreation	15,425	12,548	9,152	18,821	11,222	15,691	14,352
Township Assistance	25,781	6,787	7,046	25,522	6,916	834	31,604
Fire Fighting	66,774	57,872	65,042	59,604	63,080	47,811	74,873
Rainy Day	1,854	-	-	1,854	-	-	1,854
Levy Excess	320	-	-	320	-	-	320
Cumulative Fire	54,940	20,175	25,188	49,927	20,928	18,203	52,652
Totals	<u>\$ 227,043</u>	<u>\$ 138,779</u>	<u>\$ 164,662</u>	<u>\$ 201,160</u>	<u>\$ 145,005</u>	<u>\$ 117,246</u>	<u>\$ 228,919</u>

The notes to the financial statements are an integral part of this statement.

JEFFERSON TOWNSHIP, ALLEN COUNTY  
NOTES TO FINANCIAL STATEMENTS

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

The Township was established under the laws of the State of Indiana. The Township operates under a township trustee/township board form of government and provides some or all of the following services: public safety (fire), health and social services (township assistance), culture and recreation (parks and/or community centers), and general administrative services (weed and dog control).

The accompanying financial statements present the financial information for the Township.

*B. Basis of Accounting*

The financial statements are reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

*C. Cash and Investments*

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Township.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

JEFFERSON TOWNSHIP, ALLEN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

*F. Interfund Transfers*

The Township may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the Township. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Township. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Township in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

JEFFERSON TOWNSHIP, ALLEN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Township submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Township in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

**Note 4. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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 statutes authorize 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.

## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Township's Annual Reports for years prior to 2011 can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/).

For additional financial information, the Township's Annual Report information for years 2011 and later can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the Township which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the Township. It is presented as intended by the Township.

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JEFFERSON TOWNSHIP, ALLEN COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010

	Township	Township Assistance	Fire Fighting	Cumulative Fire	Park and Recreation	Levy Excess	Rainy Day	Emergency Medical	Totals
Cash and investments - beginning	\$ 22,245	\$ 18,294	\$ 27,523	\$ 25,887	\$ 14,526	\$ -	\$ 1,854	\$ 16,336	\$ 126,665
Receipts:									
Taxes	27,491	9,770	84,023	29,053	2,044	-	-	36,586	188,967
Charges for services	-	-	-	-	9,375	-	-	-	9,375
Other receipts	-	-	-	-	-	320	-	-	320
Total receipts	<u>27,491</u>	<u>9,770</u>	<u>84,023</u>	<u>29,053</u>	<u>11,419</u>	<u>320</u>	<u>-</u>	<u>36,586</u>	<u>198,662</u>
Disbursements:									
Personal services	6,835	-	-	-	-	-	-	-	6,835
Supplies	310	-	-	-	-	-	-	-	310
Other services and charges	8,204	2,283	44,772	-	10,520	-	-	25,360	91,139
Total disbursements	<u>15,349</u>	<u>2,283</u>	<u>44,772</u>	<u>-</u>	<u>10,520</u>	<u>-</u>	<u>-</u>	<u>25,360</u>	<u>98,284</u>
Excess of receipts over disbursements	<u>12,142</u>	<u>7,487</u>	<u>39,251</u>	<u>29,053</u>	<u>899</u>	<u>320</u>	<u>-</u>	<u>11,226</u>	<u>100,378</u>
Cash and investments - ending	<u>\$ 34,387</u>	<u>\$ 25,781</u>	<u>\$ 66,774</u>	<u>\$ 54,940</u>	<u>\$ 15,425</u>	<u>\$ 320</u>	<u>\$ 1,854</u>	<u>\$ 27,562</u>	<u>\$ 227,043</u>

JEFFERSON TOWNSHIP, ALLEN COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011

	Township	Emergency Medical	Park and Recreation	Township Assistance	Fire Fighting	Rainy Day	Levy Excess	Cumulative Fire	Totals
Cash and investments - beginning	\$ 34,387	\$ 27,562	\$ 15,425	\$ 25,781	\$ 66,774	\$ 1,854	\$ 320	\$ 54,940	\$ 227,043
Receipts:									
Taxes	15,372	23,780	5,282	6,488	43,647	-	-	18,964	113,533
Intergovernmental	709	1,518	243	299	14,225	-	-	1,211	18,205
Charges for services	-	-	7,023	-	-	-	-	-	7,023
Other receipts	18	-	-	-	-	-	-	-	18
Total receipts	16,099	25,298	12,548	6,787	57,872	-	-	20,175	138,779
Disbursements:									
Personal services	9,031	-	-	-	-	-	-	-	9,031
Supplies	332	-	42	-	-	-	-	-	374
Other services and charges	5,241	22,347	8,046	4,002	44,692	-	-	12,200	96,528
Capital outlay	-	-	426	-	-	-	-	3,917	4,343
Other disbursements	9,860	11,423	638	3,044	20,350	-	-	9,071	54,386
Total disbursements	24,464	33,770	9,152	7,046	65,042	-	-	25,188	164,662
Excess (deficiency) of receipts over disbursements	(8,365)	(8,472)	3,396	(259)	(7,170)	-	-	(5,013)	(25,883)
Cash and investments - ending	\$ 26,022	\$ 19,090	\$ 18,821	\$ 25,522	\$ 59,604	\$ 1,854	\$ 320	\$ 49,927	\$ 201,160

JEFFERSON TOWNSHIP, ALLEN COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012

	Township	Emergency Medical	Park and Recreation	Township Assistance	Fire Fighting	Rainy Day	Levy Excess	Cumulative Fire	Totals
Cash and investments - beginning	\$ 26,022	\$ 19,090	\$ 18,821	\$ 25,522	\$ 59,604	\$ 1,854	\$ 320	\$ 49,927	\$ 201,160
Receipts:									
Taxes	16,115	24,376	5,226	6,533	44,881	-	-	19,773	116,904
Intergovernmental	944	1,424	1,228	383	18,199	-	-	1,155	23,333
Charges for services	-	-	4,768	-	-	-	-	-	4,768
Total receipts	<u>17,059</u>	<u>25,800</u>	<u>11,222</u>	<u>6,916</u>	<u>63,080</u>	<u>-</u>	<u>-</u>	<u>20,928</u>	<u>145,005</u>
Disbursements:									
Personal services	10,122	-	-	-	-	-	-	-	10,122
Supplies	201	-	6,585	-	-	-	-	-	6,786
Other services and charges	5,339	19,045	6,706	834	47,811	-	-	12,200	91,935
Capital outlay	-	-	2,400	-	-	-	-	6,003	8,403
Total disbursements	<u>15,662</u>	<u>19,045</u>	<u>15,691</u>	<u>834</u>	<u>47,811</u>	<u>-</u>	<u>-</u>	<u>18,203</u>	<u>117,246</u>
Excess (deficiency) of receipts over disbursements	<u>1,397</u>	<u>6,755</u>	<u>(4,469)</u>	<u>6,082</u>	<u>15,269</u>	<u>-</u>	<u>-</u>	<u>2,725</u>	<u>27,759</u>
Cash and investments - ending	<u>\$ 27,419</u>	<u>\$ 25,845</u>	<u>\$ 14,352</u>	<u>\$ 31,604</u>	<u>\$ 74,873</u>	<u>\$ 1,854</u>	<u>\$ 320</u>	<u>\$ 52,652</u>	<u>\$ 228,919</u>

JEFFERSON TOWNSHIP, ALLEN COUNTY  
EXAMINATION RESULTS AND COMMENTS

**NO BOARD MINUTES PROVIDED**

The minutes of the meetings of the governing body were not presented for examination. We were not able to determine the number of meetings held for which minutes should have been provided.

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 section 3.5 or 3.6 of this chapter or any other statute that authorizes a governing body to conduct a meeting using an electronic means of communication."

**NEPOTISM**

The Township Trustee did not file an annual certification of compliance with the nepotism law with the State.

Indiana Code 36-1-20.2-16 states: "Each elected officer of the unit shall annually certify in writing, subject to the penalties for perjury, that the officer has not violated this chapter. An officer shall submit the certification to the executive of the unit not later than December 31 of each year."

**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>
Township	2010	\$ 54
Township	2011	8,725
Fire Fighting	2011	15,042
Emergency Medical	2011	7,470

Indiana Code 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, ALLEN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on November 26, 2013, with Sharon Tepin, Township Clerk. The official concurred with our findings.