

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
JEFFERSON TOWNSHIP
MIAMI COUNTY, INDIANA
January 1, 2003 to December 31, 2005



FILED
7/18/06

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Reginald R. Wolfe, Sr.	01-01-03 to 12-31-06
Chairman of the Township Board	Jean Conner	01-01-03 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the schedules of receipts, disbursements, and cash and investment balances of Jefferson Township (Township), for the period of January 1, 2003 to December 31, 2005. The Township's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2003, 2004, and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

April 10, 2006

JEFFERSON TOWNSHIP, MIAMI COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 2,253	\$ 17,136	\$ 13,609	\$ 5,780
Dog	496	162	196	462
Township Assistance	9,744	3,793	1,961	11,576
Firefighting	3,206	25,397	18,741	9,862
Park and Recreation	13,559	13,362	12,212	14,709
Totals	<u>\$ 29,258</u>	<u>\$ 59,850</u>	<u>\$ 46,719</u>	<u>\$ 42,389</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 5,780	\$ 17,076	\$ 13,264	\$ 9,592
Dog	462	270	719	13
Township Assistance	11,576	2,743	1,623	12,696
Firefighting	9,862	18,637	20,435	8,064
Park and Recreation	14,709	7,061	11,756	10,014
Totals	<u>\$ 42,389</u>	<u>\$ 45,787</u>	<u>\$ 47,797</u>	<u>\$ 40,379</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 9,592	\$ 17,050	\$ 14,729	\$ 11,913
Dog	13	213	-	226
Township Assistance	12,696	2,928	1,717	13,907
Firefighting	8,064	21,461	21,493	8,032
Park and Recreation	10,014	10,692	14,177	6,529
Levy Excess	-	1,295	-	1,295
Totals	<u>\$ 40,379</u>	<u>\$ 53,639</u>	<u>\$ 52,116</u>	<u>\$ 41,902</u>

The accompanying notes are an integral part of the schedules.

JEFFERSON TOWNSHIP, MIAMI COUNTY
NOTES TO SCHEDULES

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.

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, MIAMI COUNTY
EXAMINATION RESULTS AND COMMENTS

DOG TAX ADMINISTRATIVE FEE

Administrative fees for dog tax were not receipted to the Township Fund in 2005. A similar comment was in the prior Examination Report B20656.

Indiana Code 15-5-9-1 states in part: "For each individual dog tag or kennel license issued under this chapter, the township assessor (or trustee who collects the fee) shall retain from the fee described in this section, an administrative fee of fifty cents (\$.50). Administrative fees collected by the assessor shall be deposited in the county general fund, and administrative fees collected by the trustee shall be deposited in the township general fund."

CONTRACTS

Payments were made for mowing the Community Center and the Brower, Courtier and Mexico Cemeteries without a contract. A similar comment was in the prior Examination Report B20656.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PAYROLL DEDUCTIONS

Payments to employees were made without payroll deductions for taxes. Similar comments were in prior Examination Reports B14051 and B20656.

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)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

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 Townships, Chapter 13)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The Township did not issue forms W-2's for the amount of the compensation paid. The Township also made payments to individuals for mowing cemeteries and park property, rent paid to trustee and custodian of the park property. The Township did not issue Forms 1099 for the amounts paid. Similar comments were in prior Examination Reports B14051 and B20656.

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

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)

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 Townships, Chapter 13)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

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 Townships, Chapter 13)

ADVANCE PAYMENTS

Dates of transactions indicate that some payments were made to the Clerk and Trustee prior to the receipt of services.

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)

OFFICIAL BONDS

The following official bonds were not filed in the office of the County Recorder:

Reginald R. Wolfe, Sr., Trustee, 01-14-05 to 01-14-06 and 01-14-06 to 01-14-07

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder . . ."

JEFFERSON TOWNSHIP, MIAMI COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 10, 2006, with Reginald R. Wolfe, Sr., Trustee.
The official concurred with our findings.