

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

EXAMINATION REPORT
OF
JACKSON TOWNSHIP
HUNTINGTON COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
12/06/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Amy Keefer Sheila Jo Hines	01-01-03 to 10-31-05 11-01-05 to 12-31-06
Chairman of the Township Board	Sheila Jo Hines Thomas Herber	01-01-04 to 10-31-05 11-01-05 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF JACKSON TOWNSHIP, HUNTINGTON COUNTY, INDIANA

We have examined the financial information presented herein of Jackson Township (Township), for the period of January 1, 2004 to December 31, 2005. 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, 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

October 26, 2006

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

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 29,167	\$ 25,734	\$ 29,880	\$ 25,021
Dog	795	389	495	689
Township Assistance	17,716	933	3,204	15,445
Firefighting	31,518	18,004	18,544	30,978
Park and Recreation	7,673	10,057	11,000	6,730
Levy Excess	397	-	-	397
Rainy Day	12,640	-	-	12,640
Fiduciary Fund:				
Payroll Withholdings	-	1,135	1,135	-
Totals	<u>\$ 99,906</u>	<u>\$ 56,252</u>	<u>\$ 64,258</u>	<u>\$ 91,900</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 25,021	\$ 28,582	\$ 30,126	\$ 23,477
Dog	689	277	389	577
Township Assistance	15,445	1,159	2,640	13,964
Firefighting	30,978	15,327	18,096	28,209
Park and Recreation	6,730	2,142	6,000	2,872
Levy Excess	397	-	-	397
Rainy Day	12,640	-	-	12,640
Fiduciary Fund:				
Payroll Withholdings	-	1,178	1,178	-
Totals	<u>\$ 91,900</u>	<u>\$ 48,665</u>	<u>\$ 58,429</u>	<u>\$ 82,136</u>

The accompanying notes are an integral part of the schedules.

JACKSON TOWNSHIP, HUNTINGTON 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.

JACKSON TOWNSHIP, HUNTINGTON COUNTY
EXAMINATION RESULTS AND COMMENTS

ADVANCE PAYMENTS

Payments for office rent for the years 2004 and 2005 were paid to Amy Keefer, former Trustee, in January of each year in the amounts of \$2,400 and \$3,000, respectively. The former Trustee resigned effective October 31, 2005, and became Township Clerk on November 1, 2005.

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)

Indiana Code 36-6-8-3(a) states in part: "If the township executive uses a part of the executive's residence for an office, the township body shall appropriate a reasonable sum for that office space."

Indiana Code 36-6-4-2(a) states in part: "The trustee is the township executive".

Amy Keefer, former Trustee, reimbursed the Township \$500 on October 25, 2006, for office rent she received that covered the two months after she resigned.

PERSONAL EXPENSES

Amy Keefer, former Trustee, was reimbursed in 2005, for travel from her place of employment, which was out of the county, to meetings at the Huntington County Courthouse.

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental unit maybe the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Amy Keefer, former Trustee, reimbursed the Township \$153.90 on October 25, 2006, for unauthorized mileage reimbursements. (See Summary, page 9)

JACKSON TOWNSHIP, HUNTINGTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 25, 2006, with Sheila Jo Hines, Trustee.

The contents of this report were discussed on October 26, 2006, with Amy Keefer, former Trustee.
The official response has been made a part of this report and may be found on page 8.

October 26, 2006

Ms. Mary Jane Bartrom
Indiana State Board of Accounts

Regarding: 2004 – 2005 Audit of the Jackson Township Trustee's Office

Dear Ms. Bartrom,

I would like to respond in writing to the Exit Comments of the 2004 - 2005 Audit.

1. Regarding the reimbursement of the Office Rent for the months of November and December 2005: at the time of my resignation as the Jackson Township Trustee, I had a discussion with the Jackson Township Advisory Board Members regarding the records and documents of the Township. I asked the Board if they would like for me to reimburse them for the Office Expense for November and December and was told no. I was to keep that money as compensation for the storage of Township documents and records as the Deputy Trustee as appointed by the Jackson Township Trustee for the months of November and December 2005.
2. The current Trustee received everything in my possession at the Annual Board Meeting in January 2006 as discussed previously and approved by her and the Advisory Board.
3. I disagree with the request for repayment based on the discussions held with the Advisory Board at that time and their verbal direction to me to retain that money. However, due to our discussion and that there were no notations in the minutes of the Advisory Board regarding this matter I have already submitted a check to the Jackson Township Trustee.
4. Regarding the reimbursement of \$153.90 for mileage after our discussion earlier in the week I agree with the request for reimbursement since that was from my office in Fort Wayne and not the office in Jackson Township. There was a misinterpretation as to the allocation of miles in reference to "office" rather than home.

By writing this check in the amount \$653.90 I in no way acknowledge that anything was done improperly or with any inappropriate intent. I appreciate the ability to respond to these comments in writing.

I respectfully request a copy of the final audit report with my written statement included. You may forward my copy to Mrs. Sheila Jo Hines, Jackson Township Trustee and I will pick my copy up from her. Thank you in advance.

Respectfully,


Amy Keefer

JACKSON TOWNSHIP, HUNTINGTON COUNTY
SUMMARY

	Charges	Credits	Balance Due
Amy Keefer, former Trustee:			
Personal Expenses, page 6	\$ 153.90	\$	\$
Paid by Amy Keefer, former Trustee			
October 25, 2006		153.90	-
 Totals	\$ 153.90	\$ 153.90	\$ -