

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

EXAMINATION REPORT
OF
JACKSON TOWNSHIP
BLACKFORD COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED

01/14/2009

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OFFICIALS

Office

Official

Term

Trustee

Marie Wrightsman

01-01-03 to 12-31-10

Chairman of the
Township Board

Pamela Shroyer

01-01-06 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Jackson Township (Township), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

December 3, 2008

JACKSON TOWNSHIP, BLACKFORD 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, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 15,555	\$ 14,490	\$ 10,085	\$ 19,960
Township Assistance	15,723	2,676	22,663	(4,264)
Firefighting	49,579	12,477	25,696	36,360
Dog	752	389	1,141	-
Library	1,226	8,769	1,104	8,891
Fiduciary Fund:				
Payroll Deductions	<u>363</u>	<u>363</u>	<u>363</u>	<u>363</u>
Totals	<u>\$ 83,198</u>	<u>\$ 39,164</u>	<u>\$ 61,052</u>	<u>\$ 61,310</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 19,960	\$ 3,864	\$ 10,418	\$ 13,406
Township Assistance	(4,264)	65,026	7,859	52,903
Firefighting	36,360	69,506	94,016	11,850
Library	8,891	12	1,518	7,385
Fiduciary Fund:				
Payroll Deductions	<u>363</u>	<u>386</u>	<u>363</u>	<u>386</u>
Totals	<u>\$ 61,310</u>	<u>\$ 138,794</u>	<u>\$ 114,174</u>	<u>\$ 85,930</u>

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

JACKSON TOWNSHIP, BLACKFORD 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, BLACKFORD COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Loans payable:		
Township assistance	\$ 45,000	\$ 24,236
Fire truck purchase	<u>58,621</u>	<u>13,106</u>
 Total governmental activities debt	 <u>\$ 103,621</u>	 <u>\$ 37,342</u>

JACKSON TOWNSHIP, BLACKFORD COUNTY
EXAMINATION RESULTS AND COMMENTS

LISTS OF EMPLOYEES

Some officials or employees of the Township had money due from the Township, but lists of such employees were not certified to the County Treasurer.

Indiana Code 6-1.1-22-14(a) states, in part: "On or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the names and addresses of each person who has money due from the political subdivision to the treasurer of each county in which the political subdivision is located."

APPROPRIATIONS

The approved appropriations for the Firefighting Fund were overdrawn by \$58,016.67 in 2007 due to paying the Township's share of a new fire truck from the proceeds of a loan which was not budgeted.

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."

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were noted:

- (1) The total of the individual fund balances did not agree with the control balances reconciled to the depository balances.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

- (2) There were several posting errors. These errors included postings for incorrect amounts, and postings to the control account not posted correctly to individual funds.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

- (3) The Township Trustees Annual Reports contained numerous errors.

Governmental units should file accurate reports required by federal and state agencies. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OVERDRAWN FUND BALANCE

The cash and investment balance of the Township Assistance Fund was a negative amount from May of 2006 until a loan was received in June of 2007.

The balance of any fund may not be reduced below zero. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

JACKSON TOWNSHIP, BLACKFORD COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 3, 2008, with Marie Wrightsman, Trustee; and Betty Jo Armstrong, Secretary of the Township Board. The officials concurred with our findings.