

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

EXAMINATION REPORT
OF
PERRY TOWNSHIP
CLINTON COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
04/15/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Constance Blacker	01-01-07 to 12-31-10
Chairman of the Township Board	Gerry Somers	01-01-08 to 06-30-08
	Carl Chezem	07-01-08 to 08-17-08
	Phil Ramsey	08-18-08 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF PERRY TOWNSHIP, CLINTON COUNTY, INDIANA

We have examined the financial information presented herein of Perry Township (Township), for the period of January 1, 2008 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, 2008 and 2009, 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

March 23, 2010

PERRY TOWNSHIP, CLINTON COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 4,510	\$ 19,827	\$ 19,796	\$ 4,541
Firefighting	16,784	42,140	54,578	4,346
Rainy Day	2,285	-	-	2,285
Township Assistance	9,157	3,116	9,901	2,372
Levy Excess	334	-	-	334
Fire Debt Service	2,719	24,445	31,386	(4,222)
Fire Equipment	273,000	-	273,000	-
Totals	<u>\$ 308,789</u>	<u>\$ 89,528</u>	<u>\$ 388,661</u>	<u>\$ 9,656</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 4,541	\$ 18,027	\$ 21,195	\$ 1,373
Firefighting	4,346	41,268	53,955	(8,341)
Rainy Day	2,285	121	-	2,406
Township Assistance	2,372	1,309	10,077	(6,396)
County Option Income Tax	334	-	-	334
Debt Service	(4,222)	40,675	-	36,453
Totals	<u>\$ 9,656</u>	<u>\$ 101,400</u>	<u>\$ 85,227</u>	<u>\$ 25,829</u>

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

PERRY TOWNSHIP, CLINTON 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.

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.

PERRY TOWNSHIP, CLINTON COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

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:		
Fire Station	\$ 89,237	\$ 17,278
Fire Truck	273,000	25,688
 Total governmental activities debt	 \$ 362,237	 \$ 42,966

PERRY TOWNSHIP, CLINTON COUNTY
EXAMINATION RESULTS AND COMMENTS

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The third quarter Internal Revenue Service Form 941 for 2008 was incorrect. The pay did not include the semiannual payment made to the Deputy Trustee in July which resulted in the Social Security and Medicare payment to the Internal Revenue Service being understated by \$122.40.

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)

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances, for some of the months, were not presented for audit. Reconciliations prepared by the examination team had variances of \$11.65 for December 31, 2008, and \$35.09 for December 31, 2009.

IC 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OVERDRAWN FUND BALANCES


The Township Assistance Fund and the Firefighting Fund were overdrawn in 2009. Also, the Fire Debt Service Fund was overdrawn in 2008.

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PERRY TOWNSHIP, CLINTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 30, 2010, with Constance Blacker, Trustee. The official response has been made a part of this report and may be found on page 9.

Offical Response from Perry Twp/Clinton Co

From:  **Connie Blacker** (cjblacker@hotmail.com)
Sent: Fri 4/02/10 2:30 PM
To: ricole@sboa.in.gov

Mr. Cole,


I am writing in response to my exit audit for Constance J. Blacker, Perry Twp. in Clinton Co. I signed the box in response to the section of my audit marked "overdrawn fund balances". If you are not aware, Clinton County did not send any tax bills for 2008 pay 2009 until after January 1, 2010. Last year when we realized there were not going to be any tax bills sent out in the first half of 2009 I went to my banker to talk to him regarding the funds to run Perry Twp until taxes were collected. The Regions Bank commercial loan officer did not want to do any short term loans. He wanted me to use the funds I had in the Debt Service fund to fund the Twp accounts until Clinton Co caught up. The bank wanted to defer the loans rather than all the legal work to do short term loans. I checked with the other local bank and they refused to do a short term loan because all Twp business was at Regions Bank. I felt I had no choice. I decided that if the bank was wanting to do it this way I would just have to run the Fire Fund and Poor Relief funds in the red. The money was in the bank I just had to borrow from the other account. I have always run very tight on my fund balances because I always felt it was unfair to the taxpayers to pad the budget for extra funds.

As it turned out Clinton Co became and still is a tax collection nightmare. I'm sure the original banker never have dreamed it would turn out to be so long and rediculous. My orginal banker was killed in a car accident in the fall of 09. Thus the new Loan Officer had to figure out what was done with the Fire Loans. The last time I spoke with him he was still working the whole thing out. But he agreed it had been started that way and should be continued. What a mess it turned out to be.

I wanted to respond to the audit because I did not purposely and willfully intend to run the accounts in negative balances. I had NO CHOICE. Fire Trucks do not run on air or magically repair themselves. Poor Relief clients need their LP gas, electric and water/sewage at the time they have a need and business' will not wait until Clinton County got their act together. ^{If} someone needs to be "written up" I suggest you have a talk to Clinton County and have them "work" at their jobs as hard as I do at mine.

I am available and willing to speak to you at any time to discuss this matter. My home phone number is 765-324-2639. Please feel free to call.

Sincerely yours,


Constance J. Blacker
Perry Twp Trustee