

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

EXAMINATION REPORT  
OF  
JACKSON TOWNSHIP  
BLACKFORD COUNTY, INDIANA  
January 1, 2008 to December 31, 2009



**FILED**  
05/20/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Marie Wrightsman Rex Chaney	01-01-07 to 12-28-09 12-29-09 to 12-31-10
Chairman of the Township Board	Pamela Shroyer	01-01-08 to 12-31-10



**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, 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

April 14, 2010

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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 13,406	\$ 10,734	\$ 10,485	\$ 13,655
Township Assistance	52,903	12,296	28,727	36,472
Firefighting	11,850	33,596	41,359	4,087
Library	7,384	-	1,288	6,096
Township Assistance Loan	-	38,556	24,268	14,288
Fiduciary Fund:				
Payroll Withholdings	386	387	387	386
Totals	<u>\$ 85,929</u>	<u>\$ 95,569</u>	<u>\$ 106,514</u>	<u>\$ 74,984</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 13,655	\$ 11,381	\$ 10,299	\$ 14,737
Township Assistance	36,472	14,521	8,237	42,756
Firefighting	4,087	14,070	28,165	(10,008)
Library	6,096	-	-	6,096
Township Assistance Loan	14,288	10,022	24,202	108
Fire Equipment Debt	-	18,427	13,106	5,321
Fiduciary Fund:				
Payroll Withholdings	386	153	386	153
Totals	<u>\$ 74,984</u>	<u>\$ 68,574</u>	<u>\$ 84,395</u>	<u>\$ 59,163</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 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, 2009

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Equipment	\$ 36,609	\$ 13,106

JACKSON TOWNSHIP, BLACKFORD COUNTY  
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were noted. A similar comment was in the prior report.

- (1) The total of the individual fund balances did not agree with the control balances reconciled to the depository balances.
- (2) There were a considerable number of posting errors. These errors included deposits not receipted and checks and receipts not recorded in the proper amounts or not recorded at all.
- (3) The Township Trustees Annual Report for 2008 contained numerous errors.

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)

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)

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 Firefighting Fund was overdrawn in 2009.

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)

ELECTRONIC ANNUAL REPORT

The Township Trustees Annual Report for 2009 was not prepared, and was not filed electronically with the State Board of Accounts.

JACKSON TOWNSHIP, BLACKFORD COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

IC 5-11-1-4 states:

"The state examiner shall require from each municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be filed electronically, in a manner prescribed by the state examiner that is compatible with the technology employed by the political subdivision."

COMPENSATION AND BENEFITS

Township Board Members received \$450 for the year 2009 instead of the \$350 included in the salary schedule.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 17)

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

APPROPRIATIONS

Records presented for examination indicated that the Firefighting Fund had expenditures in excess of budgeted appropriations of \$16,154 and \$4,270 for 2008 and 2009, respectively.

IC 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."

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

Officials or employees of the Township had money due from the Township, but a list of such employees was not certified to the County Treasurer.

IC 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 the person from the political subdivision to the treasurer of each county in which the political subdivision is located."

JACKSON TOWNSHIP, BLACKFORD COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on April 14, 2010, with Rex Chaney, Trustee; and Pamela Shroyer, Chairman of the Township Board. The officials concurred with our findings.