

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

EXAMINATION REPORT

OF

JACKSON TOWNSHIP

WAYNE COUNTY, INDIANA

January 1, 2004 to December 31, 2005



**FILED**

10/10/2006



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report .....	3
Schedules of Receipts, Disbursements, and Cash and Investment Balances.....	4
Notes to Schedules .....	5-6
Examination Results and Comments:	
Official Bond .....	7
Deposit of Public Funds.....	7
Depository Not Approved.....	7
Overdrawn Cash Balance.....	7
Exit Conference.....	8

OFFICIALS

Office

Official

Term

Trustee

Betty L. Riggs

01-01-03 to 12-31-06

Chairman of the  
Township Board

Lyndon Wicker

01-01-04 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the schedules of receipts, disbursements, and cash and investment balances of Jackson Township (Township), for the period of January 1, 2004, 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, 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

August 23, 2006

JACKSON TOWNSHIP, WAYNE 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	\$ 21,380	\$ 61,341	\$ 38,332	\$ 44,389
Dog	474	-	174	300
Township Assistance	(1,065)	83,394	53,523	28,806
Firefighting	(8,393)	28,712	18,000	2,319
Recreation	6,897	-	2,500	4,397
Levy Excess	2,756	-	2,756	-
Rainy Day	-	3,008	-	3,008
Cumulative Vehicle and Building	18,377	22,016	-	40,393
Fiduciary Fund:				
Payroll Withholdings	(200)	11,678	10,837	641
Totals	<u>\$ 40,226</u>	<u>\$ 210,149</u>	<u>\$ 126,122</u>	<u>\$ 124,253</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 44,389	\$ 45,735	\$ 48,803	\$ 41,321
Dog	300	438	238	500
Township Assistance	28,806	51,082	55,049	24,839
Firefighting	2,319	18,595	18,000	2,914
Recreation	4,397	6,446	2,500	8,343
Rainy Day	3,008	-	-	3,008
Cumulative Vehicle and Building	40,393	11,218	-	51,611
Fiduciary Fund:				
Payroll Withholdings	641	11,640	12,693	(412)
Totals	<u>\$ 124,253</u>	<u>\$ 145,154</u>	<u>\$ 137,283</u>	<u>\$ 132,124</u>

The accompanying notes are an integral part of the schedules.

JACKSON TOWNSHIP, WAYNE 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. 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, WAYNE COUNTY  
NOTES TO SCHEDULES  
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Township contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Township authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

JACKSON TOWNSHIP, WAYNE COUNTY  
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The Township Trustee's official bond was not filed in the Office of the County Recorder.

IC 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 . . ."

DEPOSIT OF PUBLIC FUNDS

We noted instances where local tax distributions were not deposited by the first and fifteenth day of each month when received.

Indiana Code 5-13-6-1(c) states in part: "The public funds collected by township trustees shall be deposited in the designated depository on or before the first and fifteenth day of each month."

DEPOSITORY NOT APPROVED

The township invested through a brokerage firm which has not been designated eligible to receive State funds.

Indiana Code 5-13-8-1(a) states a political subdivision may deposit public funds in a financial institution only if the financial institution . . . is a depository eligible to receive state funds . . .

OVERDRAWN CASH BALANCE

The cash balance of the Payroll Fund was overdrawn in 2005.

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

JACKSON TOWNSHIP, WAYNE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on August 23, 2006, with Judith Kerney, Clerk; and Betty L. Riggs, Trustee.