

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

EXAMINATION REPORT

OF

JACKSON TOWNSHIP

RIPLEY COUNTY, INDIANA

January 1, 2003 to December 31, 2005



**FILED**  
10/31/2006



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
Examination Results and Comments:	
Dog Tax Not Deposited .....	6
Salary Overpayment .....	6
Overdrawn Appropriations .....	6-7
Township Assistance Procedures.....	7
Salary Approvals.....	7
Penalties, Interest and Other Charges .....	8
Contracts for Cemetery Care .....	8
Exit Conference .....	9
Summary .....	10

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Joan M. Menchofer	01-01-03 to 12-31-06
Chairman of the Township Board	Michael J. Schuler Susan Schutte	01-01-03 to 12-31-04 01-01-05 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF JACKSON TOWNSHIP, RIPLEY 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, 2003 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, 2003, 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

September 19, 2006

JACKSON TOWNSHIP, RIPLEY COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 52,185	\$ 13,661	\$ 15,870	\$ 49,976
Dog	316	304	199	421
Township Assistance	16,917	1,552	2,567	15,902
Firefighting	435	263	-	698
Fire Equipment Debt	263	-	263	-
Totals	<u>\$ 70,116</u>	<u>\$ 15,780</u>	<u>\$ 18,899</u>	<u>\$ 66,997</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 49,976	\$ 17,276	\$ 21,733	\$ 45,519
Dog	421	354	475	300
Township Assistance	15,902	5,185	2,916	18,171
Firefighting	698	-	-	698
Rainy Day	-	1,462	-	1,462
Totals	<u>\$ 66,997</u>	<u>\$ 24,277</u>	<u>\$ 25,124</u>	<u>\$ 66,150</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 45,519	\$ 21,676	\$ 21,714	\$ 45,481
Dog	300	21	-	321
Township Assistance	18,171	10,044	7,350	20,865
Firefighting	698	-	698	-
Fire Equipment Debt	1,462	-	-	1,462
Totals	<u>\$ 66,150</u>	<u>\$ 31,741</u>	<u>\$ 29,762</u>	<u>\$ 68,129</u>

The accompanying notes are an integral part of the schedules.

JACKSON TOWNSHIP, RIPLEY COUNTY  
NOTES TO SCHEDULES

Note 1. Introduction

The Township was established under the laws of the State of Indiana. The Township provides the following general administrative services: health and social services, 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 received 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.

JACKSON TOWNSHIP, RIPLEY COUNTY  
EXAMINATION RESULTS AND COMMENTS

DOG TAX NOT DEPOSITED

The following schedule compares dog tax collected (receipts) and deposits for the period January 1, 2004 to June 30, 2006, with deposits:

	<u>2004</u>	<u>2005</u>	<u>January 1, 2006 to June 30, 2006</u>	<u>Totals</u>
Dog Tax Receipts	\$ 122	\$ 192	\$ 188	\$ 502
Deposits:				
2004	(38)	-	-	(38)
2005	(21)	-	-	(21)
January 1, 2006 to June 30, 2006	<u>(63)</u>	<u>(192)</u>	<u>(38)</u>	<u>(293)</u>
Dog Tax Not Deposited	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ 150</u>

The above schedule shows that dog tax collected in the year 2004 was not all deposited until the year 2005 and 2006 and dog taxes collected in the year 2005 was not deposited until the year 2006 and not all dog tax collected in the year 2006 was deposited.

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."

Joan M. Menchhofer, Trustee, refunded \$150 to Jackson Township on September 12, 2006. (See Summary, page 10)

SALARY OVERPAYMENT

Erin Menchhofer, Township Clerk, was paid \$333.32 in excess of the salary approved by the Township Board in 2003.

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

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Erin Menchhofer, Township Clerk, refunded \$333.32 to Jackson Township on September 18, 2006 (\$100) and October 5, 2006 (\$233.32). (See Summary, page 10)

OVERDRAWN APPROPRIATIONS

Expenditures exceeded budgeted appropriations as shown in the following schedule:

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

<u>Fund</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General	\$ 1,478	\$ 7,373	\$ 6,164
Township Assistance	<u>217</u>	<u>166</u>	<u>900</u>
Totals	<u>\$ 1,695</u>	<u>\$ 7,539</u>	<u>\$ 7,064</u>

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."

TOWNSHIP ASSISTANCE PROCEDURES

We found the following deficiencies regarding the processing of township assistance:

1. There was no evidence documented on Form TA-1 (Application for Township Assistance) that investigations were performed on township applicants and recipients.

Indiana Code 12-20-6-9 states in part: "If an application for township assistance is made to the township trustee . . . the township trustee . . . shall carefully investigate the circumstances of the applicant and each member of the applicant's household . . ."

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

2. No written township assistance standards were presented for examination.

Indiana Code 12-20-5.5-1 states in part: "The township trustee shall process all applications for the township assistance according to uniform written standards . . ."

3. Vendor invoices/receipts were not attached to 13% of purchase orders examined.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

SALARY APPROVALS

The Township did not use Form 17 (Resolution Recommending Salaries of Township Officers and Employees).

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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

PENALTIES, INTEREST AND OTHER CHARGES

Information presented for examination showed that penalties and interest totaling \$80.17 were paid to the Internal Revenue Service on August 29, 2003, for the quarter period ending March 31, 2003.

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)

CONTRACTS FOR CEMETERY CARE

Payments for cemetery care were made to three individuals totaling \$1,500 per year during 2003, 2004, and 2005. No contracts were presented for examination supporting the payments made.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

JACKSON TOWNSHIP, RIPLEY COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on September 19, 2006, with Joan M. Menchhofer, Trustee. The official concurred with our findings.

JACKSON TOWNSHIP, RIPLEY COUNTY  
SUMMARY

	Charges	Credits	Balance Due
Joan M. Menchhofer, Trustee:			
Dog Tax Collections Not Deposited, page 6	\$ 150.00	\$	\$
Deposited September 12, 2006		150.00	
 Erin Menchhofer, Clerk:			
Salary Overpayment, page 6	333.32		
Deposited on September 18, 2006		100.00	
Deposited on October 5, 2006		233.32	-
 Totals	\$ 483.32	\$ 483.32	\$ -