

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

EXAMINATION REPORT  
OF  
PIERSON TOWNSHIP  
VIGO COUNTY, INDIANA  
January 1, 2006 to December 31, 2007



**FILED**  
10/15/2008



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances .....	4
Notes to Financial Information .....	5
Supplementary Information:	
Schedule of Long-Term Debt .....	6
Examination Results and Comments:	
Overdrawn Appropriations.....	7
Condition of Records .....	7
Exit Conference.....	8

OFFICIALS

Office

Official

Term

Trustee

Robin J. Brown

01-01-03 to 12-31-10

Chairman of the  
Township Board

Duane Dee Dalton

01-01-06 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF PIERSON TOWNSHIP, VIGO COUNTY, INDIANA

We have examined the financial information presented herein of Pierson 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

August 20, 2008

PIERSON TOWNSHIP, VIGO 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:				
General	\$ 6,977	\$ 31,198	\$ 32,076	\$ 6,099
Dog	893	878	1,771	-
Township Assistance	7,093	1,548	1,660	6,981
Firefighting	12,830	41,526	46,472	7,884
Park and Recreation	11,626	8,649	11,646	8,629
Levy Excess	2,186	-	-	2,186
Fire Equipment Debt	(8,229)	45,913	23,484	14,200
Cumulative Fire	57,863	21,288	65,800	13,351
Totals	<u>\$ 91,239</u>	<u>\$ 151,000</u>	<u>\$ 182,909</u>	<u>\$ 59,330</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 6,099	\$ 27,096	\$ 26,673	\$ 6,522
Township Assistance	6,981	577	1,916	5,642
Firefighting	7,884	26,894	33,949	829
Park and Recreation	8,629	1,500	6,527	3,602
Levy Excess	2,186	2,782	2,186	2,782
Fire Equipment Debt	14,200	19,189	25,267	8,122
Cumulative Fire	13,351	13,727	12,732	14,346
Rainy Day	-	6,351	6,000	351
Fiduciary Fund:				
Payroll Withholdings	-	1,522	1,142	380
Totals	<u>\$ 59,330</u>	<u>\$ 99,638</u>	<u>\$ 116,392</u>	<u>\$ 42,576</u>

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

PIERSON TOWNSHIP, VIGO 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.

PIERSON TOWNSHIP, VIGO 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: Fire Truck Note Payable	\$ 41,667	\$ 22,065

PIERSON TOWNSHIP, VIGO COUNTY  
EXAMINATION RESULTS AND COMMENTS

OVERDRAWN APPROPRIATIONS

The records presented for examination indicated the following expenditures in excess of budgeted appropriations for 2006:

<u>Fund</u>	<u>Excess Amount Expended</u>
Township General	<u>\$ 5,981</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."

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were noted. A similar comment was in the prior Report B28955.

- (1) Record balances were not reconciled to depository balances during the examination period. Reconcilements of 2006 and 2007 records were not performed until 2008.

Indiana Code 5-13-6-1(e) states in part: "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.

- (2) There were a considerable number of posting errors. The errors included deposits not posted, transactions not posted in correct month, and duplicate posting of payroll disbursements.
- (3) Receipts, disbursements and balances on the 2006 and 2007 Annual Reports in several instances did not agree to the fund ledgers.

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)

PIERSON TOWNSHIP, VIGO COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on August 20, 2008, with Robin J. Brown, Trustee.