

B30674

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

EXAMINATION REPORT  
OF  
GRASSY FORK TOWNSHIP  
JACKSON COUNTY, INDIANA  
January 1, 2005 to December 31, 2006



**FILED**  
10/09/2007



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Everett Hackman Parke D. Hackman	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Chairman of the Township Board	Denver Klinge	01-01-05 to 12-31-07



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF GRASSY FORK TOWNSHIP, JACKSON COUNTY, INDIANA

We have examined the financial information presented herein of Grassy Fork Township (Township), for the period of January 1, 2005 to December 31, 2006. 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, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

July 23, 2007

GRASSY FORK TOWNSHIP, JACKSON COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Township	\$ 37,560	\$ 27,634	\$ 13,081	\$ 52,113
Dog	429	141	129	441
Township Assistance	7,461	2,708	2,215	7,954
Firefighting	11,186	24,550	7,500	28,236
Totals	<u>\$ 56,636</u>	<u>\$ 55,033</u>	<u>\$ 22,925</u>	<u>\$ 88,744</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 52,113	\$ 20,440	\$ 13,565	\$ 58,988
Dog	441	889	1,145	185
Township Assistance	7,954	1,215	1,766	7,403
Firefighting	28,236	13,912	7,586	34,562
Levy Excess	-	167	-	167
Totals	<u>\$ 88,744</u>	<u>\$ 36,623</u>	<u>\$ 24,062</u>	<u>\$ 101,305</u>

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

GRASSY FORK TOWNSHIP, JACKSON 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, 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.

GRASSY FORK TOWNSHIP, JACKSON COUNTY  
EXAMINATION RESULT AND COMMENT

DISBURSEMENT DOCUMENTATION

Some payments were observed which did not contain adequate supporting documentation such as receipts, and invoices.

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)

GRASSY FORK TOWNSHIP, JACKSON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 23, 2007, with Parke D. Hackman, Trustee. The official response has been made a part of this report and may be found on page 8.

July 25, 2007

## **OFFICIAL RESPONSE**

In response to the audit conducted for Grassy Fork Township and the findings of lack of supporting documentation, it is my belief that all disbursements are valid. I am newly elected to this office as of January 1, 2007, however, the previous trustee held this position for 24 years in which he served the constituents of Grassy Fork Township in a proper and responsible manner.

After taking office I reorganized the filing system and adequate records are now being kept. Documentation of all disbursements are accurately filed and recorded.

Sincerely,

A handwritten signature in cursive script that reads "Parke Hackman".

Parke Hackman  
Grassy Fork Township Trustee