

B36212

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

EXAMINATION REPORT

OF

JACKSON TOWNSHIP

WAYNE COUNTY, INDIANA

January 1, 2008 to December 31, 2009



FILED
04/19/2010

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OFFICIALS

Office

Official

Term

Trustee

Betty L. Riggs

01-01-07 to 12-31-10

Chairman of the
Township Board

Lyndon P. Wicker

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, WAYNE 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.

STATE BOARD OF ACCOUNTS

March 30, 2010

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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 42,285	\$ 55,478	\$ 71,068	\$ 26,695
Township Assistance	31,888	19,941	40,551	11,278
Firefighting	5,494	11,611	18,000	(895)
Park and Recreation	17,967	20	2,000	15,987
Rainy Day	3,008	-	-	3,008
Levy Excess	472	-	472	-
Cumulative Vehicle and Building	76,500	8,501	-	85,001
Fiduciary Fund:				
Payroll Withholdings	(415)	11,996	11,982	(401)
Totals	<u>\$ 177,199</u>	<u>\$ 107,547</u>	<u>\$ 144,073</u>	<u>\$ 140,673</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 26,695	\$ 90,364	\$ 67,460	\$ 49,599
Township Assistance	11,278	54,830	45,183	20,925
Firefighting	(895)	29,704	18,000	10,809
Park and Recreation	15,987	-	2,500	13,487
Rainy Day	3,008	-	-	3,008
Cumulative Vehicle and Building	85,001	17,729	-	102,730
Fiduciary Fund:				
Payroll Withholdings	(401)	12,178	12,170	(393)
Totals	<u>\$ 140,673</u>	<u>\$ 204,805</u>	<u>\$ 145,313</u>	<u>\$ 200,165</u>

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

JACKSON TOWNSHIP, WAYNE 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.

JACKSON TOWNSHIP, WAYNE COUNTY
EXAMINATION RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES

The Firefighting Fund was overdrawn by \$895 in 2008. The Payroll Withholding Fund was overdrawn in 2008 and 2009 by \$401 and \$393.

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)

INTEREST ON INVESTMENTS

The Township invested \$25,000 with Edward Jones, a brokerage firm, and continues to carry the investment at the original purchase cost. Additionally, no entries have been made to the records for earnings on the investment.

Investments should only be made in accordance with statute. Expenses related to any unauthorized investments may be the personal obligation of the responsible official or employee.

Losses related to investments and investment procedures which are not authorized by statute may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

DEPOSITORY NOT APPROVED

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

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

PENALTIES, INTEREST, AND OTHER CHARGES

Penalties, interest, and other charges totaling \$54.55 were paid to various vendors during our examination period. We requested that the Trustee repay the Township \$54.55. The Trustee repaid the Township \$54.55 on April 2, 2010.

Penalties and interest totaling \$166.71 were paid to the Internal Revenue Service for the period January 1 2008 to December 31, 2009. \$48.27 of these penalties and interest was incurred and paid after our previous examination and exit. We requested the Trustee repay the Township \$48.27. The Trustee repaid \$48.27 the Township on April 2, 2010.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, 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)

JACKSON TOWNSHIP, WAYNE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 30, 2010, with Judith Kerney, Deputy Clerk. The official concurred with our findings.