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

EXAMINATION REPORT
OF
JACKSON TOWNSHIP
MORGAN COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
04/27/2010

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OFFICIALS

Office

Official

Term

Trustee

Dan L. Broyer

01-01-08 to 12-31-10

Chairman of the
Township Board

Tom Carter

01-01-08 to 12-31-10



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF JACKSON TOWNSHIP, MORGAN 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 15, 2010

JACKSON TOWNSHIP, MORGAN 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	\$ 66,940	\$ 62,773	\$ 73,262	\$ 56,451
Township Assistance	28,237	14,023	19,411	22,849
Firefighting	19,452	78,275	78,794	18,933
Rainy Day	21,000	16,766	1,105	36,661
Cumulative Fire	420	14,162	1,415	13,167
Levy Excess	412	-	-	412
Emergency Fire Loan	4,037	26,776	46,830	(16,017)
Fire Building	43,569	17,703	69,757	(8,485)
Fiduciary Fund:				
Payroll Withholdings	1,123	5,754	5,335	1,542
Totals	<u>\$ 185,190</u>	<u>\$ 236,232</u>	<u>\$ 295,909</u>	<u>\$ 125,513</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 56,451	\$ 111,388	\$ 70,619	\$ 97,220
Township Assistance	22,849	32,395	28,058	27,186
Firefighting	18,933	102,378	108,343	12,968
Rainy Day	36,661	20,213	-	56,874
Cumulative Fire	13,167	29,164	22,004	20,327
Levy Excess	412	4,898	412	4,898
Emergency Fire Loan	(16,017)	56,142	37,624	2,501
Fire Building	(8,485)	116,761	70,508	37,768
Fiduciary Fund:				
Payroll Withholdings	1,542	6,676	6,592	1,626
Totals	<u>\$ 125,513</u>	<u>\$ 480,015</u>	<u>\$ 344,160</u>	<u>\$ 261,368</u>

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

JACKSON TOWNSHIP, MORGAN 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 (Indiana Code 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 (Indiana Code 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, MORGAN COUNTY
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were incorrect.

IC 5-13-6-1(e) states: "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. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

APPROPRIATIONS

Records presented for examination indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Emergency Fire Loan	2009	<u>\$ 1,486.58</u>

IC 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."

OVERDRAWN FUND BALANCES

The Fire Building Fund and the Emergency Fire Loan Fund were overdrawn in 2008.

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)

JACKSON TOWNSHIP, MORGAN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 17, 2010, with Dan L. Broyer, Trustee. The official concurred with our findings.