

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

JACKSON TOWNSHIP

GREENE COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED
04/12/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Paul Trampke	01-01-07 to 12-31-14
Chairman of the Township Board	Buddy Fields	01-01-10 to 12-31-10
	Jeremy Inman	01-01-11 to 12-31-11
	Paul Cullison	01-01-12 to 12-31-13



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF JACKSON TOWNSHIP, GREENE COUNTY, INDIANA

We have examined the accompanying financial statements of Jackson Township (Township), for the period of January 1, 2010 to December 31, 2011. The financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on the financial statements 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 statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Township for the period of January 1, 2010 to December 31, 2011.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Township for the period of January 1, 2010 to December 31, 2011, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Township's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

Bruce Hartman
State Examiner

March 11, 2013

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FINANCIAL STATEMENTS

The financial statements and accompanying notes were approved by management of the Township.
The financial statements and notes are presented as intended by the Township.

JACKSON TOWNSHIP, GREENE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Township	\$ 76,487	\$ 9,351	\$ 34,884	\$ 50,954
Township Assistance	30,252	5,782	13,658	22,376
Fire Fighting	14,165	30,725	29,678	15,212
Cumulative Fire	13,390	4,313	-	17,703
Dog	193	-	193	-
Park And Recreation	27,153	7,750	1,635	33,268
Fire Debt	2,159	-	-	2,159
Levy Excess	-	122	-	122
Rainy Day	4,151	21,623	-	25,774
Payroll Withholdings	893	2,827	2,873	847
Totals	<u>\$ 168,843</u>	<u>\$ 82,493</u>	<u>\$ 82,921</u>	<u>\$ 168,415</u>

The notes to the financial statements are an integral part of this statement.

JACKSON TOWNSHIP, GREENE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
Township	\$ 50,954	\$ 7,031	\$ 18,757	\$ 39,228
Park And Recreation	33,268	5,364	24,038	14,594
Township Assistance	22,376	1,810	7,664	16,522
Fire Fighting	15,212	24,681	25,957	13,936
Rainy Day	25,774	-	14,333	11,441
Levy Excess	122	-	122	-
Cumulative Fire	17,703	2,784	800	19,687
Thomasson Hall	-	270	-	270
Fire Debt	2,159	-	-	2,159
Payroll Withholdings	847	2,210	2,298	759
Totals	<u>\$ 168,415</u>	<u>\$ 44,150</u>	<u>\$ 93,969</u>	<u>\$ 118,596</u>

The notes to the financial statements are an integral part of this statement.

JACKSON TOWNSHIP, GREENE COUNTY
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Township was established under the laws of the State of Indiana. The Township operates under a township trustee/township board form of government and provides some or all of the following services: public safety (fire), health and social services (township assistance), culture and recreation (parks and/or community centers), and general administrative services (weed and dog control).

The accompanying financial statements present the financial information for the Township.

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Township.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

JACKSON TOWNSHIP, GREENE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The Township may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the Township. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Township. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Township in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

JACKSON TOWNSHIP, GREENE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Township submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Township in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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 statutes authorize 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.

Note 5. Risk Management

The Township may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Township to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Township's Annual Reports for years prior to 2011 can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the Township's Annual Report information for years 2011 and later can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the Township which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the Township. It is presented as intended by the Township.

JACKSON TOWNSHIP, GREENE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	Township	Township Assistance	Fire Fighting	Cumulative Fire	Dog	Park And Recreation
Cash and investments - beginning	\$ 76,487	\$ 30,252	\$ 14,165	\$ 13,390	\$ 193	\$ 27,153
Receipts:						
Taxes	8,767	5,782	30,615	4,313	-	7,750
Intergovernmental	-	-	-	-	-	-
Other receipts	584	-	110	-	-	-
Total receipts	<u>9,351</u>	<u>5,782</u>	<u>30,725</u>	<u>4,313</u>	<u>-</u>	<u>7,750</u>
Disbursements:						
Personal services	13,274	1,361	-	-	-	-
Supplies	688	46	-	-	-	-
Other services and charges	5,922	-	29,678	-	-	1,635
Other disbursements	15,000	12,251	-	-	193	-
Total disbursements	<u>34,884</u>	<u>13,658</u>	<u>29,678</u>	<u>-</u>	<u>193</u>	<u>1,635</u>
Excess (deficiency) of receipts over disbursements	<u>(25,533)</u>	<u>(7,876)</u>	<u>1,047</u>	<u>4,313</u>	<u>(193)</u>	<u>6,115</u>
Cash and investments - ending	<u>\$ 50,954</u>	<u>\$ 22,376</u>	<u>\$ 15,212</u>	<u>\$ 17,703</u>	<u>\$ -</u>	<u>\$ 33,268</u>

JACKSON TOWNSHIP, GREENE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Fire Debt	Levy Excess	Rainy Day	Payroll Withholdings	Totals
Cash and investments - beginning	\$ 2,159	\$ -	\$ 4,151	\$ 893	\$ 168,843
Receipts:					
Taxes	-	-	-	-	57,227
Intergovernmental	-	-	1,622	-	1,622
Other receipts	-	122	20,001	2,827	23,644
Total receipts	-	122	21,623	2,827	82,493
Disbursements:					
Personal services	-	-	-	-	14,635
Supplies	-	-	-	-	734
Other services and charges	-	-	-	-	37,235
Other disbursements	-	-	-	2,873	30,317
Total disbursements	-	-	-	2,873	82,921
Excess (deficiency) of receipts over disbursements	-	122	21,623	(46)	(428)
Cash and investments - ending	\$ 2,159	\$ 122	\$ 25,774	\$ 847	\$ 168,415

JACKSON TOWNSHIP, GREENE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	Township	Park And Recreation	Township Assistance	Fire Fighting	Rainy Day	Levy Excess
Cash and investments - beginning	\$ 50,954	\$ 33,268	\$ 22,376	\$ 15,212	\$ 25,774	\$ 122
Receipts:						
Taxes	3,122	4,909	1,650	7,763	-	-
Intergovernmental	3,583	455	160	16,918	-	-
Other receipts	326	-	-	-	-	-
Total receipts	<u>7,031</u>	<u>5,364</u>	<u>1,810</u>	<u>24,681</u>	<u>-</u>	<u>-</u>
Disbursements:						
Personal services	12,101	-	1,292	-	-	-
Supplies	345	-	52	-	-	-
Other services and charges	5,830	24,038	6,320	24,607	14,333	-
Capital outlay	-	-	-	-	-	-
Other disbursements	481	-	-	1,350	-	122
Total disbursements	<u>18,757</u>	<u>24,038</u>	<u>7,664</u>	<u>25,957</u>	<u>14,333</u>	<u>122</u>
Excess (deficiency) of receipts over disbursements	<u>(11,726)</u>	<u>(18,674)</u>	<u>(5,854)</u>	<u>(1,276)</u>	<u>(14,333)</u>	<u>(122)</u>
Cash and investments - ending	<u>\$ 39,228</u>	<u>\$ 14,594</u>	<u>\$ 16,522</u>	<u>\$ 13,936</u>	<u>\$ 11,441</u>	<u>\$ -</u>

JACKSON TOWNSHIP, GREENE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Cumulative Fire	Thomasson Hall	Fire Debt	Payroll Withholding	Totals
Cash and investments - beginning	\$ 17,703	\$ -	\$ 2,159	\$ 847	\$ 168,415
Receipts:					
Taxes	2,551	-	-	-	19,995
Intergovernmental	233	-	-	-	21,349
Other receipts	-	270	-	2,210	2,806
Total receipts	<u>2,784</u>	<u>270</u>	<u>-</u>	<u>2,210</u>	<u>44,150</u>
Disbursements:					
Personal services	-	-	-	-	13,393
Supplies	-	-	-	-	397
Other services and charges	-	-	-	-	75,128
Capital outlay	800	-	-	-	800
Other disbursements	-	-	-	2,298	4,251
Total disbursements	<u>800</u>	<u>-</u>	<u>-</u>	<u>2,298</u>	<u>93,969</u>
Excess (deficiency) of receipts over disbursements	<u>1,984</u>	<u>270</u>	<u>-</u>	<u>(88)</u>	<u>(49,819)</u>
Cash and investments - ending	<u>\$ 19,687</u>	<u>\$ 270</u>	<u>\$ 2,159</u>	<u>\$ 759</u>	<u>\$ 118,596</u>

JACKSON TOWNSHIP, GREENE COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2011

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 91,671</u>	<u>\$ 41,939</u>

JACKSON TOWNSHIP, GREENE COUNTY
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2011

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Land	\$ 10,000
Infrastructure	10,000
Buildings	500,000
Machinery, equipment and vehicles	250,000
Total governmental activities	770,000
Total capital assets	\$ 770,000

JACKSON TOWNSHIP, GREENE COUNTY
EXAMINATION RESULTS AND COMMENTS

ADVANCE PAYMENTS

Dates of transactions indicated that compensation was made to officials and employees prior to the receipt of goods or services.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

TOWNSHIP ASSISTANCE

Applications did not always have evidence of an investigation.

Notice of Township Assistance Action (TA-1A) was not used.

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)

The township trustee shall carefully investigate the circumstances of the applicant and each member of the applicant's household to ascertain their legal residence, their physical condition relating to sickness or health, their present and previous occupation, their names and ages, the ability and capacity for labor of all members of the household, and the cause of the applicant's or household member's condition if the applicant's household member is found to be in distress and the cause can be ascertained, whether an applicant or member of the applicant's household is entitled to income in the immediate future from any source including past or present employment, pending claims that may result in monetary award, or pending determination for assistance from any other federal or state governmental entity. (Form TA-1) The trustee shall ascertain, as far as possible, whether such persons have relatives able and willing to assist them. IC 12-20-6-9 (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 6)

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

Immediately after any action is taken upon a completed township assistance application or, in the case of termination or reduction of existing benefits, before action is taken, a "Notice of Township Assistance Action" form shall be delivered to the applicant or recipient in person or by first class United States mail at said person's last known address. A copy of each completed "Notice" shall be filed with the applicant's application in the trustee's office. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 6)

RAINY DAY FUND

In 2010, transfers were made from the following funds to the Rainy Day Fund:

Township	\$	15,000
Township Assistance		<u>5,000</u>
Total	\$	<u>20,000</u>

The amount, of the transfers, is more than the 10 percent of total budget, which was \$84,736 for 2010.

Indiana Code 36-1-8-5.1(d) states: "In any fiscal year, a political subdivision may transfer under section 5 of this chapter not more than ten percent (10%) of the political subdivision's total annual budget for that fiscal year, adopted under IC 6-1.1-17, to the rainy day fund."

JACKSON TOWNSHIP, GREENE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 11, 2013, with Paul Trampke, Trustee.