

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT

OF

JACKSON TOWNSHIP

KOSCIUSKO COUNTY, INDIANA

January 1, 2004 to December 31, 2005



FILED
08/30/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Donald Slater (deceased) Joseph C. Kinch (interim) Joseph C. Kinch	01-01-03 to 07-30-04 07-31-04 to 08-25-04 08-26-04 to 12-31-06
Chairman of the Township Board	Fred Kinch	01-01-04 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the schedules of receipts, disbursements, and cash and investment balances of Jackson Township (Township), for the period of January 1, 2004 to December 31, 2005. The Township's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

July 19, 2006

JACKSON TOWNSHIP, KOSCIUSKO 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, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 11,123	\$ 46,707	\$ 47,437	\$ 10,393
Dog	776	457	536	697
Township Assistance	11,678	3,167	3,400	11,445
Firefighting	26,405	48,780	45,471	29,714
Donation	143	-	-	143
Cumulative Fire	30,828	27,798	10,223	48,403
Fiduciary Fund:				
Payroll Withholdings	(6)	4,033	2,648	1,379
Totals	<u>\$ 80,947</u>	<u>\$ 130,942</u>	<u>\$ 109,715</u>	<u>\$ 102,174</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 10,393	\$ 44,314	\$ 35,902	\$ 18,805
Dog	697	-	476	221
Township Assistance	11,445	38	1,169	10,314
Firefighting	29,714	36,572	30,381	35,905
Donation	143	-	-	143
Homeland Security Grant	-	8,171	8,171	-
Levy Excess	-	1,050	-	1,050
Cumulative Fire	48,403	12,785	640	60,548
Fiduciary Fund:				
Payroll Withholdings	1,379	1,738	3,117	-
Totals	<u>\$ 102,174</u>	<u>\$ 104,668</u>	<u>\$ 79,856</u>	<u>\$ 126,986</u>

The accompanying notes are an integral part of the schedules.

JACKSON TOWNSHIP, KOSCIUSKO COUNTY
NOTES TO SCHEDULES

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.

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.

Note 6. Subsequent Events

The Township received grant proceeds of approximately \$50,000 from the Department of Homeland Security in 2006 to purchase fire and other rescue equipment.

JACKSON TOWNSHIP, KOSCIUSKO COUNTY
EXAMINATION RESULT AND COMMENT

PERSONAL PROPERTY USE

The Township purchased a car in 2004 that was to be used by the volunteer fire department fire chief. The Township was responsible for maintenance and upkeep of the car and the car was to be used to transport the fire chief to the site of any emergencies. No formal agreement between the Township and the volunteer fire department detailing the responsibilities of both parties was presented for audit. A log of the vehicle's use was also not presented for audit. The Fire Chief did use some personal funds to help defray the cost of using the vehicle. Currently the use of the car has been discontinued.

Assets of the governmental unit may not be used in a manner unrelated to the functions and purposes of the governmental unit.

Whenever an item or other asset owned by the political subdivision is entrusted to an officer or employee, to be used at times outside the normal work time for business purposes, such as a cellular phone, or vehicle, a log should be maintained which clearly shows the business use.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

JACKSON TOWNSHIP, KOSCIUSKO COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 25, 2006, with Joseph C. Kinch, Trustee. The official concurred with our finding.