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

EXAMINATION REPORT  
OF  
DRIFTWOOD TOWNSHIP  
JACKSON COUNTY, INDIANA  
January 1, 2007 to December 31, 2009



**FILED**  
04/22/2010



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report.....	3
Financial Information: Schedules of Receipts, Disbursements, and Cash and Investment Balances .....	4
Notes to Financial Information .....	5
Examination Results and Comments: Overdrawn Fund Balance.....	6
Payroll Deductions.....	6
Exit Conference.....	7

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	V. Carol Wheeler	01-01-07 to 12-31-10
Chairman of the Township Board	Lloyd Grider	01-01-07 to 12-31-07
	Gary Hackman	01-01-08 to 12-31-08
	Lloyd Grider	01-01-09 to 12-31-09
	John Hartley	01-01-10 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Driftwood Township (Township), for the period of January 1, 2007 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, 2007, 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 24, 2010

DRIFTWOOD 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, 2007, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 17,085	\$ 18,709	\$ 29,273	\$ 6,521
Dog	361	-	361	-
Township Assistance	43,117	-	7,613	35,504
Firefighting	46,596	8,574	16,147	39,023
Cumulative Fire	2,814	-	-	2,814
Totals	<u>\$ 109,973</u>	<u>\$ 27,283</u>	<u>\$ 53,394</u>	<u>\$ 83,862</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 6,521	\$ 17,376	\$ 29,722	\$ (5,825)
Township Assistance	35,504	-	7,635	27,869
Firefighting	39,023	7,110	22,270	23,863
Cumulative Fire	2,814	-	-	2,814
Totals	<u>\$ 83,862</u>	<u>\$ 24,486</u>	<u>\$ 59,627</u>	<u>\$ 48,721</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ (5,825)	\$ 19,502	\$ 28,866	\$ (15,189)
Rainy Day	-	6,593	-	6,593
Township Assistance	27,869	-	14,629	13,240
Firefighting	23,863	17,469	15,171	26,161
Cumulative Fire	2,814	-	-	2,814
Totals	<u>\$ 48,721</u>	<u>\$ 43,564</u>	<u>\$ 58,666</u>	<u>\$ 33,619</u>

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

DRIFTWOOD 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.

DRIFTWOOD TOWNSHIP, JACKSON COUNTY  
EXAMINATION RESULTS AND COMMENTS

OVERDRAWN FUND BALANCE

The Township Fund was overdrawn by \$5,825 in 2008 and by \$15,189 in 2009.

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)

PAYROLL DEDUCTIONS

Social Security and Medicare taxes were not withheld from the wages paid to Township Board members during the examination period.

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)

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)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

DRIFTWOOD TOWNSHIP, JACKSON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on March 24, 2010, with V. Carol Wheeler, Trustee.