

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

EXAMINATION REPORT  
OF  
JACKSON TOWNSHIP  
ELKHART COUNTY, INDIANA  
January 1, 2006 to December 31, 2007



**FILED**  
10/28/2008



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OFFICIALS

Office

Official

Term

Trustee

Thomas Lantz

01-01-03 to 12-31-10

Chairman of the  
Township Board

Donald Wysong  
Bruce Korenstra

01-01-06 to 12-31-07  
01-01-08 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Jackson Township (Township), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. The schedule has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

August 25, 2008

JACKSON TOWNSHIP, ELKHART 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, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 59,070	\$ 132,199	\$ 158,412	\$ 32,857
Dog	951	455	651	755
Township Assistance	3,960	13,018	14,756	2,222
Firefighting	622,122	179,496	121,635	679,983
Emergency Medical Services	34,001	77,156	70,548	40,609
Levy Excess	763	3,044	-	3,807
Cumulative Fire	266,658	62,629	32,696	296,591
Fiduciary Funds:				
Buggy License	2,295	1,573	2,295	1,573
Payroll Withholdings	(1,429)	2,951	1,522	-
Totals	<u>\$ 988,391</u>	<u>\$ 472,521</u>	<u>\$ 402,515</u>	<u>\$ 1,058,397</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 32,857	\$ 120,723	\$ 101,367	\$ 52,213
Dog	755	1,258	2,013	-
Township Assistance	2,222	13,337	11,685	3,874
Firefighting	679,983	167,392	145,011	702,364
Emergency Medical Services	40,609	50,780	70,000	21,389
Levy Excess	3,807	-	-	3,807
Cumulative Fire	296,591	89,279	171,393	214,477
Fiduciary Funds:				
Buggy License	1,573	1,353	2,926	-
Payroll Withholdings	-	1,796	1,796	-
Totals	<u>\$ 1,058,397</u>	<u>\$ 445,918</u>	<u>\$ 506,191</u>	<u>\$ 998,124</u>

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

JACKSON TOWNSHIP, ELKHART 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.

JACKSON TOWNSHIP, ELKHART COUNTY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

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 Event

In December 2007, the Township entered into an agreement for the purchase of a fire truck for the New Paris Fire Department. The cost per the agreement was \$276,929. On December 28, 2007, the Township made a \$90,000 down payment on the fire truck with the balance to be paid upon delivery. On January 7, 2008, the Township paid the balance due of \$186,929. The New Paris Fire Department has not yet taken delivery of the fire truck.

JACKSON TOWNSHIP, ELKHART COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS

As Of December 31, 2007

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.

<u>Primary Government</u>	<u>Ending Balance</u>
Township Office	
Machinery and equipment	\$ 37,639
Emergency Medical Services	
Machinery and equipment	37,834
Transportation Equipment	57,000
New Paris Fire Department	
Land	1
Buildings and Improvements	569,394
Machinery and equipment	58,575
Transportation Equipment	<u>1,065,000</u>
 Total governmental activities, capital assets not being depreciated	 <u><u>\$ 1,825,443</u></u>

JACKSON TOWNSHIP, ELKHART COUNTY  
EXAMINATION RESULTS AND COMMENTS

FIRE TRUCK PURCHASE

Jackson Township in December 2007, entered an agreement (contract) for the purchase of a fire truck for the New Paris Fire Department. The cost according to the agreement was \$276,929. The Township issued a check on December 28, 2007, for \$90,000 toward the purchase of the fire truck with the balance to be paid upon delivery. The balance due on the fire truck, \$186,929, was paid on January 7, 2008. Evidence of bids was not presented for examination; however, the Township did receive two quotes for a fire truck and did accept the lowest quote.

The fire truck as of August 25, 2008, has not yet been delivered to the New Paris Fire Department.

Indiana Code 5-22-7-8 states: "A contract must be awarded with reasonable promptness by written notice to the lowest responsible and responsive bidder."

If the purchasing agent expects the purchase to be at least \$50,000 and not more than \$150,000, the purchasing agent may purchase supplies by inviting quotes from at least three persons known to deal in the lines or classes of supplies to be purchased (IC 5-22-8-3). The small purchase chapter, IC 5-22-8, applies only to a purchase expected by the purchasing agent to be less than \$150,000 (IC 5-22-8-1). (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 19).

Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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)

SUPPORTING DOCUMENTATION

Some payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records. Due to the lack of supporting information, the validity and accountability for some money disbursed could not be established. There were four invoices paid, three for \$1,000 and one for \$400 to Sunnyside Park, that were supported by a list of expenses to be reimbursed. Copies of actual invoices that support the lists were not included. Also, there were four debit card and three check purchases in 2007, totaling \$326.91 that the Trustee reported that he had no receipts for.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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

FIREFIGHTING CONTRACTS

Records presented for examination indicate payments were made to the New Paris Fire Department, Inc., an Indiana not-for-profit corporation (a volunteer fire department), for \$60,000 in 2006 and for \$80,000 in 2007, plus insurance as provided by contract. The Township also paid utility bills, maintenance bills and other expenses for the New Paris Fire Department, Inc., in addition to the annual payments per contract, from both the Firefighting and Cumulative Fire Funds. The additional expenses totaled more than \$44,000 in 2006 and \$11,000 in 2007. A similar examination result and comment was in the prior Jackson Township Report B29410, dated July 26, 2006.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

DONATIONS

The Township provided donations to Prairie Football League, \$500 in 2006 and \$500 in 2007; New Paris Improvement Corporation (Light Fund), \$2,000 in 2006; Jackson Township Improvement Corporation, \$4,000 in 2006; Bainertown Cemetery Association, \$4,000 in 2006; New Paris Cemetery Association, \$2,500 in 2006; Whitehead Cemetery Association, \$2,500 in 2006 and \$4,000 in 2007; and Indiana Fund Bible College, \$2,000 in 2006. There were no agreements or contracts on file supporting these donations.

Governmental funds should not be donated or given to other organizations, individuals, or governmental units unless specifically authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

JACKSON TOWNSHIP, ELKHART COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on August 25, 2008, with Thomas Lantz, Trustee. The official concurred with our findings.