

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

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



FILED
04/29/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Thomas C. Lantz	01-01-07 to 12-31-10
Chairman of the Township Board	Bruce Korenstra	01-01-08 to 12-31-08
	Don Wysong	01-01-09 to 12-31-09
	Dean Morehouse	01-01-10 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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, 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.

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. It 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

April 12, 2010

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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 52,213	\$ 98,185	\$ 117,054	\$ 33,344
Township Assistance	3,874	10,086	28,413	(14,453)
Firefighting	702,364	105,984	127,032	681,316
Emergency Medical Services	21,389	55,410	70,000	6,799
Rainy Day	-	10,782	-	10,782
Levy Excess	3,807	-	-	3,807
Cumulative Fire	214,477	36,200	180,000	70,677
Fiduciary Funds:				
Buggy Plates	-	1,504	1,738	(234)
Payroll Withholdings	-	1,809	1,809	-
Totals	<u>\$ 998,124</u>	<u>\$ 319,960</u>	<u>\$ 526,046</u>	<u>\$ 792,038</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 33,344	\$ 125,300	\$ 124,845	\$ 33,799
Township Assistance	(14,453)	35,025	44,684	(24,112)
Firefighting	681,316	244,948	225,516	700,748
Emergency Medical Services	6,799	86,857	70,000	23,656
Rainy Day	10,782	4,132	14,000	914
Levy Excess	3,807	-	3,807	-
Cumulative Fire	70,677	72,693	39,462	103,908
Fiduciary Funds:				
Buggy Plates	(234)	234	-	-
Payroll Withholdings	-	1,983	1,983	-
Totals	<u>\$ 792,038</u>	<u>\$ 571,172</u>	<u>\$ 524,297</u>	<u>\$ 838,913</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. Related Party Transactions

Conflict of Interest Statements were filed by the Township Trustee for two companies, PLM Services and TJ Enterprises, which are owned and operated by himself and his wife. During the period for which financial information are presented, the Township had material transactions with PLM Service, a business run by the Trustee's wife, Jean Lantz in relation to cemetery maintenance, light construction, and general maintenance in the amount of \$21,771.

During the period for which financial statements are presented, the Township had material transactions with TJ Distributors, a business run by the Trustee in relation to office rent for the Township and the Township assistance office in the amount of \$17,800.

JACKSON TOWNSHIP, ELKHART COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 At December 31, 2009

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>1,361,052</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 2,121,495</u>

JACKSON TOWNSHIP, ELKHART COUNTY
EXAMINATION RESULTS AND COMMENTS

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 \$80,000 in 2008 and for \$80,000 in 2009, plus insurance as provided by contract. Additionally, to the annual payments per contract, the Township also paid utility bills, maintenance bills and other expenses for the New Paris Fire Department, Inc. from both the Firefighting and Cumulative Fire Funds. The additional expenses totaled more than \$21,444 in 2008 and \$33,703 in 2009. A similar examination result and comment was in the prior Jackson Township examination Reports B29410 and B33043.

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)

IC 36-8-14-2 states in part:

"(c) The legislative body of a unit . . . may provide a cumulative building and equipment fund under IC 6-1.1-41 for the following purposes:

- (1) The:
 - (A) purchase, construction, renovation, or addition to buildings; or
 - (B) purchase of land; used by the fire department or a volunteer fire department serving the unit.
- (2) The purchase of firefighting equipment for use of the fire department or a volunteer fire department serving the unit, including making the required payments under a lease rental with option to purchase agreement made to acquire the equipment."

DONATIONS

The Township provided donations to Prairie Football League, \$300 in 2008 and \$300 in 2009; Jackson Township Improvement Corporation, \$4,496 in 2008 and \$10,612 in 2009; and Whitehead Cemetery Association, \$3,000 in 2008 and \$5,500 in 2009. There were no agreements or contracts on file supporting the donations.

The township trustee is not authorized to maintain cemeteries owned or controlled by cities or towns or by a cemetery association. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 8)

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)

JACKSON TOWNSHIP, ELKHART COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 12, 2010, with Thomas C. Lantz, Trustee.