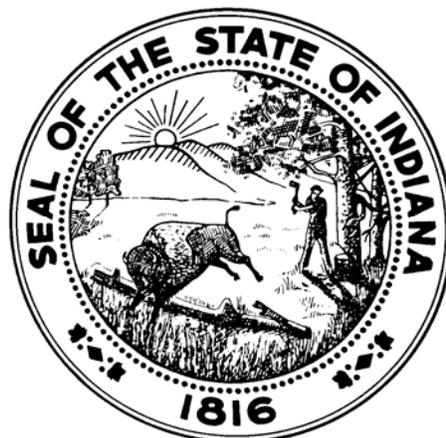


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
TIPPECANOE TOWNSHIP
KOSCIUSKO COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
09/28/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Alyssa Schmucker	01-01-03 to 12-31-06
Chairman of the Township Board	Dan Conkling	01-01-04 to 12-31-06



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the schedules of receipts, disbursements, and cash and investment balances of Tippecanoe 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

August 21, 2006

TIPPECANOE 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	\$ 37,833	\$ 113,176	\$ 96,176	\$ 54,833
Dog	2,766	2,100	2,729	2,137
Township Assistance	16,224	972	15,029	2,167
Firefighting	76,639	114,201	84,665	106,175
Park and Recreation	7,125	-	7,040	85
Emergency Medical Services	57,707	421,295	388,434	90,568
Fire Debt	8,026	28,362	23,933	12,455
Cumulative Fire	70,734	88,723	109,874	49,583
Fiduciary Funds:				
Ambulance	168	997	997	168
Payroll Withholdings	-	73,835	73,835	-
Totals	<u>\$ 277,222</u>	<u>\$ 843,661</u>	<u>\$ 802,712</u>	<u>\$ 318,171</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 54,833	\$ 72,699	\$ 99,927	\$ 27,605
Dog	2,137	2,380	1,857	2,660
Township Assistance	2,167	29,417	15,119	16,465
Firefighting	106,175	102,477	100,213	108,439
Park and Recreation	85	7,524	610	6,999
Emergency Medical Services	90,568	422,778	407,584	105,762
Levy Excess	-	2,824	-	2,824
Fire Debt	12,455	23,610	24,115	11,950
Cumulative Fire	49,583	156,942	80,568	125,957
Fiduciary Funds:				
Ambulance	168	3,167	3,335	-
Payroll Withholdings	-	79,358	79,358	-
Totals	<u>\$ 318,171</u>	<u>\$ 903,176</u>	<u>\$ 812,686</u>	<u>\$ 408,661</u>

The accompanying notes are an integral part of the schedules.

TIPPECANOE 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, 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.

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.

TIPPECANOE TOWNSHIP, KOSCIUSKO COUNTY
NOTES TO SCHEDULES
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Township contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Township authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Note 7. Long-Term Debt

The Township has entered into a loan for an ambulance. The outstanding principal at December 31, 2005, was \$46,305.

TIPPECANOE TOWNSHIP, KOSCIUSKO COUNTY
EXAMINATION RESULTS AND COMMENTS

ANNUAL FINANCIAL REPORT, TOWNSHIP FORM 15 DEFICIENCIES

The Annual Financial Report, Township Form 15 (Report) for 2004 presented for audit and filed with the County Auditor was incomplete. Omitted parts included Part 2, detail of receipts; Part 3A, disbursements by function; and Part 3B, disbursements by vendor.

Beginning balances reported on the 2004 and 2005 Reports differed from the previous reports' ending balances for numerous funds. Total receipts and disbursements reported on the Statement of Receipts, Disbursements, Cash Balances and Investments Balances in the 2004 and 2005 Reports could not be traced to Township financial records. Computer financial records presented for audit either did not provide these numbers, as was the case for receipts or did not support the reported numbers as was the case for disbursements.

The Township Trustee's Report of Receipts and Disbursements for the Calendar Year is an abstract report of receipts and disbursements for the calendar year. The annual report shall be prepared, verified, and filed with the State Board of Accounts within 30 days after the close of each fiscal year. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

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)

CONDITION OF RECORDS

Financial records presented for audit were incomplete. Yearly details of transactions for each fund were not presented for audit. The proper posting of local tax distributions could not be verified.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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)

CAPITAL ASSET RECORDS

Information presented for audit did not indicate an inventory or record of capital assets using Form 369, Capital Asset Ledger, was prepared.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

TIPPECANOE TOWNSHIP, KOSCIUSKO COUNTY
 EXAMINATION RESULTS AND COMMENTS
 (Continued)

CERTIFIED REPORT NOT FILED

The Township did not file a certified report of compensation of officers and employees (Form 100-R or its equivalent) with the State Board of Accounts for 2005.

Indiana Code 5-11-13-1 states, in part: "Every state, county, city, town, township, or school official . . . shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts."

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
Township Assistance	2004	\$ 3,543
Fire Equipment Debt	2005	181

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

TIPPECANOE TOWNSHIP, KOSCIUSKO COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 21, 2006, with Alyssa Schmucker, Trustee.