

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

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



FILED
10/28/2008

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
Supplementary Information: Schedule of Long-Term Debt	6
Examination Result and Comment: Capital Asset Records	7
Exit Conference.....	8

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Gordon K. Nusbaum	01-01-03 to 12-31-10
Chairman of the Township Board	William Long Lloyd S. Troyer Harold S. Bellamy	01-01-04 to 08-15-06 08-16-06 to 12-31-07 01-01-08 to 12-31-08



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 MIDDLEBURY TOWNSHIP, ELKHART COUNTY, INDIANA

We have examined the financial information presented herein of Middlebury 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 Long-Term Debt, 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

September 2, 2008

MIDDLEBURY 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	\$ 130,759	\$ 66,257	\$ 102,447	\$ 94,569
Dog	1,862	2,036	3,898	-
Township Assistance	51,426	-	16,510	34,916
Firefighting	342,746	173,665	252,268	264,143
Park and Recreation	1,447	8,641	10,000	88
Emergency Medical Services	246,660	487,051	320,709	413,002
Levy Excess	3,418	-	3,418	-
Fire Building Debt	83,231	159,269	161,000	81,500
Cumulative Fire	399,452	145,909	6,500	538,861
Fiduciary Fund:				
Buggy License	-	47,090	47,090	-
Totals	<u>\$ 1,261,001</u>	<u>\$ 1,089,918</u>	<u>\$ 923,840</u>	<u>\$ 1,427,079</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 94,569	\$ 204,224	\$ 115,848	\$ 182,945
Township Assistance	34,916	23,946	24,738	34,124
Firefighting	264,143	299,520	349,042	214,621
Park and Recreation	88	11,681	10,000	1,769
Emergency Medical Services	413,002	1,099,990	372,366	1,140,626
Fire Building Debt	81,500	155,353	160,000	76,853
Cumulative Fire	538,861	136,664	111,521	564,004
Rainy Day	-	1,867	-	1,867
Totals	<u>\$ 1,427,079</u>	<u>\$ 1,933,245</u>	<u>\$ 1,143,515</u>	<u>\$ 2,216,809</u>

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

MIDDLEBURY 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.

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.

MIDDLEBURY TOWNSHIP, ELKHART COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Fire Station	\$ 1,435,000	\$ 158,500

MIDDLEBURY TOWNSHIP, ELKHART COUNTY
EXAMINATION RESULT AND COMMENT

CAPITAL ASSET RECORDS

Capital Asset records are inadequate. The list of fire department vehicles and their respective equipment does not include the original cost of the assets. The list shows the estimation of the replacement cost for the vehicles and equipment for the years 2007 and 2008, with large variances between the two years for most of the assets listed. The fire department inventory list includes supplies, items under the one thousand dollar threshold, does not indicate the year the items were purchased, and does not show if the total price listed is the original cost of the items or if they are the current price for which the items may be purchased.

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)

MIDDLEBURY TOWNSHIP, ELKHART COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 2, 2008, with Gordon K. Nusbaum, Trustee. The official concurred with our finding.