

B36273

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

EXAMINATION REPORT
OF
NEW DURHAM TOWNSHIP
LAPORTE COUNTY, INDIANA
January 1, 2007 to December 31, 2009



FILED
04/22/2010

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OFFICIALS

Office

Official

Term

Trustee

Phillip Hannon

01-01-07 to 12-31-10

Chairman of the
Township Board

Dennis Gropp
Jay Pease

01-01-07 to 12-31-07
01-01-08 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF NEW DURHAM TOWNSHIP, LAPORTE COUNTY, INDIANA

We have examined the financial information presented herein of New Durham 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 31, 2010

NEW DURHAM TOWNSHIP, LAPORTE 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, 2007, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 53,634	\$ 15,135	\$ 34,529	\$ 34,240
Dog	572	-	572	-
Township Assistance	31,347	1,601	12,120	20,828
Firefighting	25,405	44,142	92,451	(22,904)
Riverboat	116,496	12,306	-	128,802
Cumulative Fire	54,283	2,320	37	56,566
Fiduciary Fund:				
Payroll Withholdings	-	6,668	6,668	-
Totals	<u>\$ 281,737</u>	<u>\$ 82,171</u>	<u>\$ 146,377</u>	<u>\$ 217,532</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 34,240	\$ 40,785	\$ 33,740	\$ 41,285
Township Assistance	20,828	18,256	14,056	25,028
Firefighting	(22,904)	79,240	98,000	(41,664)
Riverboat	128,802	11,879	-	140,681
Cumulative Fire	56,566	39,933	-	96,499
Fiduciary Fund:				
Payroll Withholdings	-	6,668	6,668	-
Totals	<u>\$ 217,532</u>	<u>\$ 196,761</u>	<u>\$ 152,464</u>	<u>\$ 261,828</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 41,285	\$ 25,702	\$ 31,437	\$ 35,549
Township Assistance	25,028	12,319	14,756	22,591
Firefighting	(41,664)	76,966	100,000	(64,697)
Riverboat	140,681	15,291	-	155,972
Cumulative Fire	96,499	26,297	-	122,795
Fiduciary Fund:				
Payroll Withholdings	-	6,668	6,668	-
Totals	<u>\$ 261,828</u>	<u>\$ 163,242</u>	<u>\$ 152,861</u>	<u>\$ 272,209</u>

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

NEW DURHAM TOWNSHIP, LAPORTE 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.

NEW DURHAM TOWNSHIP, LAPORTE 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

LaPorte County Property Taxes

LaPorte County has not completed and settled an approved property tax cycle since the 2005 payable 2006 property tax year. Each subsequent year the County has sent out various forms of provisional bills with the notice that a reconciliation bill will be provided to taxpayers once assessments are approved and certified and final tax rates are established. These delays and uncertainties have resulted in a lower than budgeted property tax collection rate for the Township. It is undeterminable how much property tax collections the Township will receive once all the reconciliation bills have been distributed and the collections received. Provisional bills for taxes payable in 2009 were due January 29, 2010. The Township received their distribution on February 11, 2010.

NEW DURHAM TOWNSHIP, LAPORTE COUNTY
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The Trustee does not have an official bond filed with the LaPorte County Recorder. A similar comment appeared in the prior report.

IC 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder . . ."

OVERDRAWN FUND BALANCES

The Firefighting Fund was overdrawn by \$22,903.70, \$41,663.41, and \$64,696.92 in 2007, 2008, and 2009, respectively.

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)

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

A list of Township employees was not filed with the LaPorte County Treasurer.

IC 6-1.1-22-14(a) states in part: "On or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the names and addresses of each person who has money due the person from the political subdivision to the treasurer of each county in which the political subdivision is located."

CERTIFIED REPORT OF NAMES, ADDRESSES, DUTIES AND
COMPENSATION OF PUBLIC EMPLOYEES (FORM 100R)

The Township did not file a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100R) in 2007, 2008, or 2009.

Each township trustee shall, during the month of January of each year, make and sign a written or printed certified report, correctly and completely showing the names and addresses of each and all officers and employees of the township and the respective duties and compensation of each. The report must be filed (on Form 100R) in the office of the State Examiner of the State Board of Accounts, 302 West Washington Street, Room E418, Indianapolis, Indiana, 46204-2769. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 12)

NEW DURHAM TOWNSHIP, LAPORTE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 31, 2010, with Phillip Hannon, Trustee. The official concurred with our findings.