

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

EXAMINATION REPORT  
OF  
ELKHART TOWNSHIP  
NOBLE COUNTY, INDIANA  
January 1, 2007 to December 31, 2009



**FILED**  
04/23/2010



## 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
Examination Results and Comments: Appropriations.....	6
Condition of Records .....	6
Exit Conference.....	7

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Ross Jett Sheila Jett	01-01-07 to 10-09-09 10-10-09 to 12-31-10
Chairman of the Township Board	Kenneth Stringfellow Fred Roy Nelson LeCount Kenneth Stringfellow	01-01-07 to 12-31-07 01-01-08 to 12-31-08 01-01-09 to 12-31-09 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](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Elkhart 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 29, 2010

ELKHART TOWNSHIP, NOBLE 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	\$ 40,324	\$ 84,624	\$ 80,247	\$ 44,701
Dog	1,003	-	-	1,003
Township Assistance	10,773	6,213	4,669	12,317
Firefighting	14,537	9,488	9,531	14,494
Park and Recreation	2,168	35,215	36,311	1,072
Horse Drawn Vehicle License	-	14,350	14,350	-
Levy Excess	170	-	-	170
Fiduciary Fund:				
Payroll Withholdings	226	1,807	2,033	-
Totals	<u>\$ 69,201</u>	<u>\$ 151,697</u>	<u>\$ 147,141</u>	<u>\$ 73,757</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 44,701	\$ 44,648	\$ 45,476	\$ 43,873
Dog	1,003	-	1,003	-
Township Assistance	12,317	6,482	8,856	9,943
Firefighting	14,494	9,843	9,627	14,710
Park and Recreation	1,072	6,706	4,449	3,329
Horse Drawn Vehicle License	-	14,675	14,675	-
Gift Fund	-	1,500	-	1,500
Levy Excess	170	-	-	170
Fiduciary Fund:				
Payroll Withholdings	-	1,736	1,736	-
Totals	<u>\$ 73,757</u>	<u>\$ 85,590</u>	<u>\$ 85,822</u>	<u>\$ 73,525</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 43,873	\$ 53,667	\$ 48,237	\$ 49,303
Township Assistance	9,943	6,729	7,937	8,735
Firefighting	14,710	9,824	9,830	14,704
Park and Recreation	3,329	1,241	3,500	1,070
Horse Drawn Vehicle License	-	15,675	15,675	-
Gift Fund	1,500	-	-	1,500
Levy Excess	170	-	-	170
Rainy Day	-	488	-	488
Fiduciary Fund:				
Payroll Withholdings	-	1,825	1,255	570
Totals	<u>\$ 73,525</u>	<u>\$ 89,449</u>	<u>\$ 86,434</u>	<u>\$ 76,540</u>

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

ELKHART TOWNSHIP, NOBLE 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.

ELKHART TOWNSHIP, NOBLE COUNTY  
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

The Township Fund expenditures exceeded budgeted appropriations by \$2,811 for the year 2009.

IC 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."

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping and the Annual Financial Report were noted. A similar comment was in prior Report B30020.

1. There were a number of posting problems which included deposits where the origin was not identified, balances from one year to the next did not agree and there were no cumulative totals of receipts or disbursements in any year.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

2. The Annual Financial Reports were not always properly prepared. The Horse Drawn Vehicle License Fund transactions were not reflected on the Statement of Receipts, Disbursements, Cash Balances and Investment Balances for the Year Ending 2009. The ending balances did not agree with the balances shown in the Financial and Appropriation Record for the Township, Township Assistance and the Park and Recreation Funds for 2009. A transfer from the Dog Fund to the Township Fund in 2008 was not reflected on the report in the same year.

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)

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

ELKHART TOWNSHIP, NOBLE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on March 30, 2010, with Sheila Jett, Trustee. The official concurred with our findings.