

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

CONCORD TOWNSHIP

ELKHART COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED
10/01/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Debra Stoffer Mark Grabill	01-01-07 to 12-31-10 01-01-11 to 12-31-14
Chairman of the Township Board	Paul Angel	01-01-10 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the accompanying financial statements of Concord Township (Township), for the years ended December 31, 2010 and 2011. The financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on the financial statements 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 statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis noted above is a different basis than that used in the prior year.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position, and results of operations of the Township for the years ended December 31, 2010 and 2011, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Township's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Township's management, Township Board, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

September 13, 2012

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FINANCIAL STATEMENTS

The financial statements and accompanying notes were approved by management of the Township. The financial statements and notes are presented as intended by the Township.

CONCORD TOWNSHIP, ELKHART COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Township	\$ (48,813)	\$ 659,504	\$ 532,422	\$ 78,269
Township Assistance	353,415	119,190	373,460	99,145
Fire Fighting	592,657	665,031	813,061	444,627
Cumulative Fire	472,244	222,652	446,734	248,162
Fire Debt	423,181	333,214	734,904	21,491
Levy Excess	5,378	4,951	5,378	4,951
Rainy Day	88,136	24,479	24,149	88,466
Payroll Deduction	-	204,631	204,631	-
Emergency Medical Services/Ambulance	174,500	1,096,696	662,460	608,736
Totals	<u>\$ 2,060,698</u>	<u>\$ 3,330,348</u>	<u>\$ 3,797,199</u>	<u>\$ 1,593,847</u>

The notes to the financial statements are an integral part of this statement.

CONCORD TOWNSHIP, ELKHART COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
Township	\$ 78,269	\$ 597,457	\$ 419,946	\$ 255,780
Emergency Medical Services/Ambulance	608,736	292,098	666,231	234,603
Township Assistance	99,145	363,030	319,727	142,448
Fire Fighting	444,627	656,849	698,735	402,741
Rainy Day	88,466	-	-	88,466
Levy Excess	4,951	-	4,951	-
Cumulative Fire	248,162	127,035	-	375,197
Grant Fund	-	118,194	118,257	(63)
Payroll Deduction	-	221,941	221,941	-
Fire Debt	21,491	-	21,491	-
Totals	<u>\$ 1,593,847</u>	<u>\$ 2,376,604</u>	<u>\$ 2,471,279</u>	<u>\$ 1,499,172</u>

The notes to the financial statements are an integral part of this statement.

CONCORD TOWNSHIP, ELKHART COUNTY
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Township was established under the laws of the State of Indiana. The Township operates under a township trustee/township board form of government and provides some or all of the following services: public safety (fire), health and social services (township assistance), culture and recreation (parks and/or community centers), and general administrative services (weed and dog control).

The accompanying financial statements present the financial information for the Township.

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Township.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

CONCORD TOWNSHIP, ELKHART COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The Township may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the Township. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Township. The money accounted for in a specific fund may only be

CONCORD TOWNSHIP, ELKHART COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Township in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Township submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Township in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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 statutes authorize 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 5. Risk Management

The Township may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Township to set aside

CONCORD TOWNSHIP, ELKHART COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is 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 Indiana Public Retirement System (INPRS) 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 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS 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:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Township's 2010 Annual Report can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the Township's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the Township which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the Township. It is presented as intended by the Township.

CONCORD TOWNSHIP, ELKHART COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	Township	Township Assistance	Fire Fighting	Cumulative Fire	Fire Debt
Cash and investments - beginning	\$ (48,813)	\$ 353,415	\$ 592,657	\$ 472,244	\$ 423,181
Receipts:					
Taxes	391,453	111,499	535,981	119,902	230,388
Charges for services	3,700	-	-	-	-
Other receipts	<u>264,351</u>	<u>7,691</u>	<u>129,050</u>	<u>102,750</u>	<u>102,826</u>
Total receipts	<u>659,504</u>	<u>119,190</u>	<u>665,031</u>	<u>222,652</u>	<u>333,214</u>
Disbursements:					
Personal services	83,167	134,225	318,699	-	-
Supplies	2,485	4,572	15,248	-	-
Other services and charges	318,272	70,297	207,501	-	632,154
Capital outlay	1,998	-	18,613	343,984	-
Other disbursements	<u>126,500</u>	<u>164,366</u>	<u>253,000</u>	<u>102,750</u>	<u>102,750</u>
Total disbursements	<u>532,422</u>	<u>373,460</u>	<u>813,061</u>	<u>446,734</u>	<u>734,904</u>
Excess (deficiency) of receipts over disbursements	<u>127,082</u>	<u>(254,270)</u>	<u>(148,030)</u>	<u>(224,082)</u>	<u>(401,690)</u>
Cash and investments - ending	<u>\$ 78,269</u>	<u>\$ 99,145</u>	<u>\$ 444,627</u>	<u>\$ 248,162</u>	<u>\$ 21,491</u>

CONCORD TOWNSHIP, ELKHART COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Levy Excess	Rainy Day	Payroll Deduction	Emergency Medical Services/Ambulance	Totals
Cash and investments - beginning	\$ 5,378	\$ 88,136	\$ -	\$ 174,500	\$ 2,060,698
Receipts:					
Taxes	4,951	24,479	-	854,830	2,273,483
Charges for services	-	-	-	241,725	245,425
Other receipts	-	-	204,631	141	811,440
Total receipts	<u>4,951</u>	<u>24,479</u>	<u>204,631</u>	<u>1,096,696</u>	<u>3,330,348</u>
Disbursements:					
Personal services	-	-	-	607,956	1,144,047
Supplies	-	-	-	34,550	56,855
Other services and charges	-	24,149	-	19,954	1,272,327
Capital outlay	-	-	-	-	364,595
Other disbursements	5,378	-	204,631	-	959,375
Total disbursements	<u>5,378</u>	<u>24,149</u>	<u>204,631</u>	<u>662,460</u>	<u>3,797,199</u>
Excess (deficiency) of receipts over disbursements	<u>(427)</u>	<u>330</u>	<u>-</u>	<u>434,236</u>	<u>(466,851)</u>
Cash and investments - ending	<u>\$ 4,951</u>	<u>\$ 88,466</u>	<u>\$ -</u>	<u>\$ 608,736</u>	<u>\$ 1,593,847</u>

CONCORD TOWNSHIP, ELKHART COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	Township	Emergency Medical Services/Ambulance	Township Assistance	Fire Fighting	Rainy Day
Cash and investments - beginning	\$ 78,269	\$ 608,736	\$ 99,145	\$ 444,627	\$ 88,466
Receipts:					
Taxes	492,227	34,501	335,398	208,980	-
Intergovernmental	98,413	28,815	26,206	296,287	-
Charges for services	1,260	228,708	-	-	-
Other receipts	5,557	74	1,426	151,582	-
Total receipts	<u>597,457</u>	<u>292,098</u>	<u>363,030</u>	<u>656,849</u>	<u>-</u>
Disbursements:					
Personal services	83,525	623,177	160,926	324,244	-
Supplies	2,847	27,225	5,481	20,935	-
Other services and charges	205,530	15,829	153,126	288,405	-
Capital outlay	490	-	194	43,151	-
Other disbursements	127,554	-	-	22,000	-
Total disbursements	<u>419,946</u>	<u>666,231</u>	<u>319,727</u>	<u>698,735</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>177,511</u>	<u>(374,133)</u>	<u>43,303</u>	<u>(41,886)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 255,780</u>	<u>\$ 234,603</u>	<u>\$ 142,448</u>	<u>\$ 402,741</u>	<u>\$ 88,466</u>

CONCORD TOWNSHIP, ELKHART COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Levy Excess	Cumulative Fire	Grant Fund	Payroll Deduction	Fire Debt	Totals
Cash and investments - beginning	\$ 4,951	\$ 248,162	\$ -	\$ -	\$ 21,491	\$ 1,593,847
Receipts:						
Taxes	-	94,139	-	-	-	1,165,245
Intergovernmental	-	11,405	-	-	-	461,126
Charges for services	-	-	-	-	-	229,968
Other receipts	-	21,491	118,194	221,941	-	520,265
Total receipts	-	127,035	118,194	221,941	-	2,376,604
Disbursements:						
Personal services	-	-	73,304	-	-	1,265,176
Supplies	-	-	-	-	-	56,488
Other services and charges	-	-	-	-	-	662,890
Capital outlay	-	-	-	-	-	43,835
Other disbursements	4,951	-	44,953	221,941	21,491	442,890
Total disbursements	4,951	-	118,257	221,941	21,491	2,471,279
Excess (deficiency) of receipts over disbursements	(4,951)	127,035	(63)	-	(21,491)	(94,675)
Cash and investments - ending	\$ -	\$ 375,197	\$ (63)	\$ -	\$ -	\$ 1,499,172

CONCORD TOWNSHIP, ELKHART COUNTY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2011

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: US Bankcorp Equipment Finance	Lease to own of Lifepak 15's	<u>\$ 28,680</u>	02-21-11	01-22-14

CONCORD TOWNSHIP, ELKHART COUNTY
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2011

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>Ending Balance</u>
Governmental activities:		
Land	\$	1,303,900
Buildings		1,586,000
Improvements other than buildings		52,300
Machinery, equipment and vehicles		<u>3,098,500</u>
 Total capital assets	 \$	 <u><u>6,040,700</u></u>

CONCORD TOWNSHIP, ELKHART COUNTY
EXAMINATION RESULT AND COMMENT

APPROPRIATIONS

The records presented for audit indicated the 2011 Fire Fighting Fund exceeded the budgeted appropriation by \$66,191.

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."

CONCORD TOWNSHIP, ELKHART COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 13, 2012, with Mark Grabill, Trustee. The official concurred with our finding.