

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

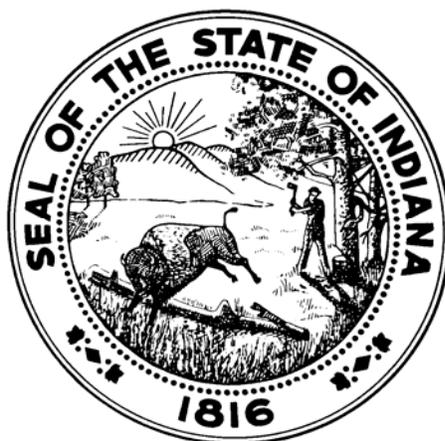
EXAMINATION REPORT

OF

LIMA TOWNSHIP

LAGRANGE COUNTY, INDIANA

January 1, 2005 to December 31, 2006



FILED

05/18/2007

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OFFICIALS

Office

Official

Term

Trustee

Richard J. Piper
William L. Rigg

09-01-03 to 12-31-06
01-01-07 to 12-31-10

Chairman of the
Township Board

Larry Grubb

01-01-05 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF LIMA TOWNSHIP, LAGRANGE COUNTY, INDIANA

We have examined the financial information presented herein of Lima Township (Township), for the period of January 1, 2005 to December 31, 2006. 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, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

April 25, 2007

LIMA TOWNSHIP, LAGRANGE COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Township	\$ 33,857	\$ 23,818	\$ 31,154	\$ 26,521
Dog	384	154	84	454
Township Assistance	9,768	16,542	18,906	7,404
Firefighting	95,956	69,971	38,912	127,015
Park and Recreation	2,307	993	-	3,300
Cumulative Fire	66,615	42,075	414	108,276
Marge Parker Trust	617	7	-	624
EV Little Memorial	129,340	5,819	1,380	133,779
Totals	<u>\$ 338,844</u>	<u>\$ 159,379</u>	<u>\$ 90,850</u>	<u>\$ 407,373</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 26,521	\$ 31,213	\$ 34,496	\$ 23,238
Dog	454	530	984	-
Township Assistance	7,404	12,999	11,697	8,706
Firefighting	127,015	35,125	40,328	121,812
Park and Recreation	3,300	-	29	3,271
Levy Excess	-	3,148	-	3,148
Cumulative Fire	108,276	15,901	1,935	122,242
Marge Parker Trust	624	-	624	-
EV Little Memorial	133,779	9,668	5,491	137,956
Totals	<u>\$ 407,373</u>	<u>\$ 108,584</u>	<u>\$ 95,584</u>	<u>\$ 420,373</u>

The accompanying notes are an integral part of the schedules.

LIMA TOWNSHIP, LAGRANGE 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.

LIMA TOWNSHIP, LAGRANGE COUNTY
EXAMINATION RESULTS AND COMMENTS

CONTRACTS

Records presented for audit indicate payments were made to LaGrange County Clothes and Food Basket in 2005 and 2006 without a contract. The amount paid each year was \$400. A similar comment appeared in prior Report B25620.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

FIREFIGHTING CONTRACTS

Firefighting contracts between Lima Township and Howe Volunteer Fire Department did not indicate the amount to be paid to the volunteer firefighters for clothing allowance, mileage or bonuses. There was no reference to any schedule of payments to be made for the year. There is no current signed contract between Lima Township and Van Buren Township. A similar comment appeared in prior Report B25620.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

INTEREST ON INVESTMENTS

Interest earned on certificates of deposit was automatically added to the principal.

Interest on investments should not be automatically added into the investment. Instead, interest on investments should be paid to the governmental unit at each maturity date and posted to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

LIMA TOWNSHIP, LAGRANGE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 25, 2007, with William L. Rigg, Trustee. The official concurred with our findings.