

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

EXAMINATION REPORT  
OF  
LAKE TOWNSHIP  
NEWTON COUNTY, INDIANA  
January 1, 2006 to December 31, 2007



**FILED**

05/09/2008



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OFFICIALS

Office

Official

Term

Trustee

Nikki K. Hanger

01-01-03 to 12-31-10

Chairman of the  
Township Board

Jerome Koutny

01-01-06 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF LAKE TOWNSHIP, NEWTON COUNTY, INDIANA

We have examined the financial information presented herein of Lake 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

February 17, 2008

LAKE TOWNSHIP, NEWTON COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL 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	\$ 128,288	\$ 108,657	\$ 95,419	\$ 141,526
Dog	230	586	-	816
Township Assistance	24,697	7,962	4,490	28,169
Firefighting	65,403	106,010	98,411	73,002
Donation	59,783	113,552	102,412	70,923
Levy Excess	194	6,039	6,039	194
Fire Debt	634	-	-	634
Landfill Grant	517	-	-	517
Rainy Day	9,905	-	-	9,905
Cumulative Fire	<u>13,833</u>	<u>18,761</u>	<u>15,092</u>	<u>17,502</u>
Totals	<u>\$ 303,484</u>	<u>\$ 361,567</u>	<u>\$ 321,863</u>	<u>\$ 343,188</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 141,526	\$ 126,318	\$ 92,652	\$ 175,192
Dog	816	-	816	-
Township Assistance	28,169	6,446	8,527	26,088
Firefighting	73,002	106,012	100,057	78,957
Donation	70,923	154,350	83,558	141,715
Levy Excess	194	-	-	194
Fire Debt	634	-	-	634
Landfill Grant	517	-	-	517
Rainy Day	9,905	-	-	9,905
Cumulative Fire	<u>17,502</u>	<u>18,148</u>	<u>20,000</u>	<u>15,650</u>
Totals	<u>\$ 343,188</u>	<u>\$ 411,274</u>	<u>\$ 305,610</u>	<u>\$ 448,852</u>

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

LAKE TOWNSHIP, NEWTON 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.

LAKE TOWNSHIP  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 For the Year Ended 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:		
2004 Kenworth 3000 Gallon Tanker	\$ 123,994	\$ 23,453

LAKE TOWNSHIP, NEWTON COUNTY  
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

Information presented for examination did not indicate an inventory or record of capital assets using Form 369.

Every governmental unit should have a complete inventory or record 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)

DONATIONS

The Donation Fund which is funded primarily by landfill hosts fees, donated monies to several community service organizations.

Governmental funds should not be donated or given to other organizations, individuals, or governmental units unless specifically authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

LAKE TOWNSHIP, NEWTON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on February 17, 2008, with Nikki K. Hanger, Trustee.