

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

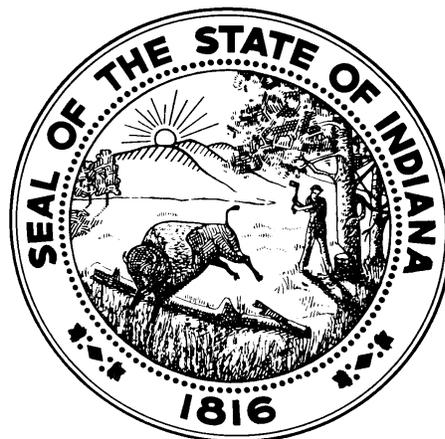
EXAMINATION REPORT

OF

HANOVER TOWNSHIP

LAKE COUNTY, INDIANA

January 1, 2006 to December 31, 2007



FILED

08/29/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	James W. Hunley	01-01-03 to 12-31-10
Chairman of the Township Board	Richard Niemeyer Donald Dust	01-01-06 to 12-31-06 01-01-07 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Hanover 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

July 10, 2008

HANOVER TOWNSHIP, LAKE 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	\$ 58,021	\$ 129,434	\$ 147,628	\$ 39,827
Dog	180	79	-	259
Township Assistance	46,354	81,334	85,549	42,139
Firefighting	22,773	95,653	100,702	17,724
Park and Recreation	20,019	679	3,819	16,879
Cemetery	(7,170)	9,500	5,251	(2,921)
Emergency Ambulance	17,466	22,977	26,750	13,693
Donations	1,482	861	1,439	905
Cumulative Fire	36,287	13,866	33,814	16,339
Totals	<u>\$ 195,412</u>	<u>\$ 354,382</u>	<u>\$ 404,950</u>	<u>\$ 144,844</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 39,827	\$ 155,511	\$ 182,877	\$ 12,460
Dog	259	-	259	-
Township Assistance	42,139	92,122	150,512	(16,251)
Firefighting	17,724	59,114	81,818	(4,980)
Park and Recreation	16,879	656	8,346	9,188
Cemetery	(2,921)	32,746	6,579	23,247
Emergency Ambulance	13,693	12,530	1,100	25,123
Donations	905	450	807	548
Cumulative Fire	16,339	91,059	100,828	6,570
Debt Service	-	100,000	100,917	(917)
Totals	<u>\$ 144,844</u>	<u>\$ 544,187</u>	<u>\$ 634,043</u>	<u>\$ 54,989</u>

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

HANOVER TOWNSHIP, LAKE 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.

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.

HANOVER TOWNSHIP, LAKE COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

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. Pension Plan

Public Employees' Retirement Fund

Plan Description

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

PERF 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:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

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

HANOVER TOWNSHIP, LAKE COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 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:		
2007 American LaFrance Pumper	\$ 187,460	\$ 18,653
Total governmental activities debt	<u>\$ 187,460</u>	<u>\$ 18,653</u>

HANOVER TOWNSHIP, LAKE COUNTY
EXAMINATION RESULT AND COMMENT

OVERDRAWN CASH BALANCES

The cash balance of the Cemetery Fund was overdrawn in 2006. The Township Assistance Fund, Firefighting Fund and Debt Service Fund were overdrawn in 2007.

The cash 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)

HANOVER TOWNSHIP, LAKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 10, 2008, with James W. Hunley, Trustee; and Patricia Kocut, Deputy. The officials concurred with our finding.