

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

EXAMINATION REPORT  
OF  
LAWRENCE TOWNSHIP  
MARION COUNTY, INDIANA  
January 1, 2007 to December 31, 2008



**FILED**  
02/05/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Michael C. Hobbs Michael C. Healy (Interim) Russell Brown	01-01-07 to 08-31-09 09-01-09 to 09-20-09 09-21-09 to 12-31-10
Chairman of the Township Board	Michael C. Healy	01-01-07 to 12-31-10



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STATE BOARD OF ACCOUNTS  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF LAWRENCE TOWNSHIP, MARION COUNTY, INDIANA

We have examined the financial information presented herein of Lawrence Township, for the period of January 1, 2007 to December 31, 2008. 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 and 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

December 16, 2009

LAWRENCE TOWNSHIP, MARION 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 And 2008

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 527,166	\$ 815,124	\$ 1,122,811	\$ 219,479
Dog	300	-	-	300
Township Assistance	226,208	227,372	373,695	79,885
Firefighting	445,090	16,628,222	15,701,482	1,371,830
Cumulative Fire	2,108,871	1,301,014	3,222,237	187,648
Park Nonreverting	42,187	-	-	42,187
Radio Grant Federal	12,858	-	12,051	807
Loan and Interest	61,239	746,556	804,232	3,563
Federal Revenue Sharing	14,777	-	-	14,777
Rainy Day	127,212	-	80,687	46,525
Hurricane Task Force	5,764	28,122	30,894	2,992
Fiduciary Funds:				
Payroll Withholdings	50,467	2,980,916	3,034,718	(3,335)
Small Claims Court Fees	-	725,508	725,508	-
Small Claims Court Trust	-	1,586,907	1,586,907	-
Totals	<u>\$ 3,622,139</u>	<u>\$ 25,039,741</u>	<u>\$ 26,695,222</u>	<u>\$ 1,966,658</u>
	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 219,479	\$ 1,146,238	\$ 1,147,327	\$ 218,390
Dog	300	-	-	300
Township Assistance	79,885	925,750	733,419	272,216
Firefighting	1,371,830	19,780,173	16,546,243	4,605,760
Cumulative Fire	187,648	4,437,106	3,829,981	794,773
Park Nonreverting	42,187	-	-	42,187
Federal Grant No. 3	-	3,595	3,595	-
Radio Grant Federal	807	-	-	807
Loan and Interest	3,563	2,857,755	2,270,838	590,480
Federal Revenue Sharing	14,777	-	-	14,777
Rainy Day	46,525	463,169	506,920	2,774
Hurricane Task Force	2,992	44,867	8,586	39,273
Investment Fund	-	2,000,000	2,000,000	-
Fiduciary Funds:				
Payroll Withholdings	(3,335)	3,317,481	3,316,179	(2,033)
Small Claims Court Fees	-	800,924	800,924	-
Small Claims Court Trust	-	1,809,367	1,809,367	-
Totals	<u>\$ 1,966,658</u>	<u>\$ 37,586,425</u>	<u>\$ 32,973,379</u>	<u>\$ 6,579,704</u>

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

LAWRENCE TOWNSHIP, MARION 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).

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.

LAWRENCE TOWNSHIP, MARION COUNTY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

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.

Note 7. Subsequent Events

The Township Board approved a tax anticipation warrant on February 17, 2009, for \$5,765,603, and an emergency loan for the Firefighting Fund in the amount of \$2,740,000 on July 20, 2009.

LAWRENCE TOWNSHIP, MARION COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended December 31, 2008

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>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ -
Infrastructure	-
Buildings	-
Improvements other than buildings	-
Machinery and equipment	1,818,326
Construction in progress	<u>1,800,000</u>
 Total governmental activities, capital assets not being depreciated	 <u><u>\$ 3,618,326</u></u>

**Buildings**

Station 331	
Station 332 - Construction in progress	\$ 1,800,000
Station 333	
Station 334	

**Machinery and equipment**

Engine 332	\$ 287,163
Engine 333	210,000
Engine 334	287,163
Engine 335	280,000
Aerial 332	700,000
Battalion 3	30,000
Pool Car - Impala	24,000
Car 304	-
Car 307	-
Car 320	-
Car 371	-
Pool Car - Excursion	-
Pool Car - Explorer	-
Pool Car - Crown Vic	-
Pool Car Station 331 - Truck	-
Pool Car Station 332 - Crown Vic	-
Pool Car Station 333 - Truck	-
Pool Car Station 334 - Truck	<u>-</u>
	<u>\$ 1,818,326</u>

LAWRENCE TOWNSHIP, MARION COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2008

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Notes and loans payable		
Emergency Assistance Loan Note of 2008	\$ 100,000	\$ 52,680
Emergency Fire Loan Note of 2008	2,000,000	1,046,656
Temporary loan Warrant (02/06/02008 - rolled at 12/31/08)	3,566,000	3,681,895
Temporary loan Warrant (02/06/02008 - rolled at 12/31/08)	1,765,600	1,822,982
Temporary loan Warrant (02/06/02008 - rolled at 12/31/08)	<u>2,382,332</u>	<u>2,459,758</u>
Total governmental activities debt	<u>\$ 9,813,932</u>	<u>\$ 9,063,971</u>

LAWRENCE TOWNSHIP, MARION COUNTY  
OTHER REPORTS

The report presented herein was prepared in addition to another official report prepared for the individual Township office listed below:

Marion County Small Claims Court, Lawrence Township Division

LAWRENCE TOWNSHIP, MARION COUNTY  
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

Former Trustee, Michael C. Hobbs, did not obtain the required official bond for the years 2007, 2008, and 2009.

IC 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder . . ."

IC 5-4-1-9 states: "An officer required to give an official bond shall give the bond before the commencement of his term of office. If the officer fails to give the bond before that time, the officer may not take office."

CAPITAL ASSETS RECORDS

Capital asset records presented for examination did not indicate any cost for three of the four fire stations.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded in the Capital Asset Ledger. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

LAWRENCE TOWNSHIP, MARION COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on December 16, 2009, with Russell L. Brown, Trustee; Kevin Johnson, Deputy Trustee; and Emmajean Hines, Board member. The officials concurred with our findings.

The contents of this report were discussed on December 16, 2009, via telephone, with former Trustee, Michael C. Hobbs.