

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

EXAMINATION REPORT  
OF  
KANKAKEE TOWNSHIP  
LAPORTE COUNTY, INDIANA  
January 1, 2007 to December 31, 2009



**FILED**  
04/08/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Steve Lestinsky, Jr.	01-01-07 to 12-31-10
Chairman of the Township Board	Thomas Wheatbrook	01-01-07 to 12-31-07
	Joe Hunt	01-01-08 to 12-31-08
	Thomas Wheatbrook	01-01-09 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF KANKAKEE TOWNSHIP, LAPORTE COUNTY, INDIANA

We have examined the financial information presented herein of Kankakee Township (Township), for the period of January 1, 2007 to December 31, 2009. 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, 2008, and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

March 25, 2010

KANKAKEE TOWNSHIP, LAPORTE COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2007, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 1,902	\$ 21,695	\$ 29,271	\$ (5,674)
Dog	2,052	-	2,052	-
Township Assistance	1,542	839	2,913	(532)
Firefighting	2,732	91,004	146,264	(52,528)
Riverboat	29,261	12,306	-	41,567
Levy Excess	3,959	-	3,959	-
Fire Debt	33,812	8,570	67,871	(25,489)
Cumulative Fire	76,532	3,568	-	80,100
Totals	<u>\$ 151,792</u>	<u>\$ 137,982</u>	<u>\$ 252,330</u>	<u>\$ 37,444</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ (5,674)	\$ 35,089	\$ 29,526	\$ (111)
Township Assistance	(532)	8,671	2,011	6,128
Firefighting	(52,528)	160,197	157,624	(49,955)
Riverboat	41,567	11,879	34,955	18,491
Fire Debt	(25,489)	92,587	67,092	6
Cumulative Fire	80,100	39,577	60,000	59,677
Totals	<u>\$ 37,444</u>	<u>\$ 348,000</u>	<u>\$ 351,208</u>	<u>\$ 34,236</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ (111)	\$ 22,697	\$ 29,170	\$ (6,584)
Township Assistance	6,128	6,666	1,800	10,994
Firefighting	(49,955)	180,161	146,816	(16,610)
Riverboat	18,491	15,291	24,775	9,007
Fire Debt	6	85,981	39,166	46,821
Cumulative Fire	59,677	26,643	38,502	47,818
Totals	<u>\$ 34,236</u>	<u>\$ 337,439</u>	<u>\$ 280,229</u>	<u>\$ 91,446</u>

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

KANKAKEE TOWNSHIP, LAPORTE 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.

KANKAKEE TOWNSHIP, LAPORTE COUNTY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

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.

Note 6. Subsequent Event

LaPorte County Property Taxes

LaPorte County has not completed and settled an approved property tax cycle since the 2005 payable 2006 property tax year. Each subsequent year the County has sent out various forms of provisional bills with the notice that a reconciliation bill will be provided to taxpayers once assessments are approved and certified and final tax rates are established. These delays and uncertainties have resulted in a lower than budgeted property tax collection rate for the Township. It cannot be determined how much property tax collections the Township will receive once all the reconciliation bills have been distributed and the collections received. Provisional bills for 2009 were due January 29, 2010. The Township received their distribution on February 11, 2010.

KANKAKEE TOWNSHIP, LAPORTE COUNTY  
EXAMINATION RESULT AND COMMENT

OVERDRAWN FUND BALANCES

The Township Funds were overdrawn at December 31 of the following years:

Fund	2007	2008	2009
Township	\$ 5,673	\$ 111	\$ 6,585
Township Assistance	532	-	-
Firefighting	52,529	49,955	16,609
Fire Debt	25,488	-	-

The 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)

KANKAKEE TOWNSHIP, LAPORTE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on March 25, 2010, with Steve Lestinsky, Jr., Trustee.  
The official concurred with our finding.