

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

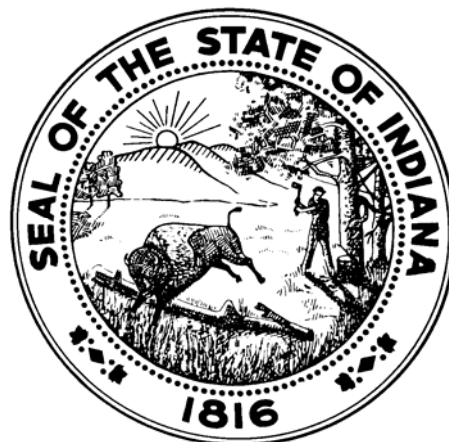
EXAMINATION REPORT

OF

LANE TOWNSHIP

WARRICK COUNTY, INDIANA

January 1, 2005 to December 31, 2006



FILED
09/27/2007

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OFFICIALS

Office

Official

Term

Trustee

Linda G. Orth

04-01-05 to 06-01-07

Chairman of the
Township Board

*

*Information not available



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF LANE TOWNSHIP, WARRICK COUNTY, INDIANA

We have examined the financial information presented herein of Lane 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

July 31, 2007

LANE TOWNSHIP, WARRICK 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	\$ (5,122)	\$ 3,357	\$ 2,575	\$ (4,340)
Dog	376	-	-	376
Township Assistance	4,598	2,561	581	6,578
Firefighting	4,931	4,857	4,000	5,788
	<u>4,783</u>	<u>10,775</u>	<u>7,156</u>	<u>8,402</u>
Totals	<u>\$ 4,783</u>	<u>\$ 10,775</u>	<u>\$ 7,156</u>	<u>\$ 8,402</u>
	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ (4,340)	\$ 4,495	\$ 4,250	\$ (4,095)
Dog	376	-	-	376
Township Assistance	6,578	-	752	5,826
Firefighting	5,788	3,773	5,000	4,561
	<u>8,402</u>	<u>8,268</u>	<u>10,002</u>	<u>6,668</u>
Totals	<u>\$ 8,402</u>	<u>\$ 8,268</u>	<u>\$ 10,002</u>	<u>\$ 6,668</u>

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

LANE TOWNSHIP, WARRICK 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, 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.

Note 6. Subsequent Event

The office of Trustee of Lane Township is technically vacant as of January 1, 2007. Linda G. Orth was appointed to the office of Lane Township Trustee on April 1, 2005, and did not run for re-election in the 2006 general election. There were no other candidates for this office in the 2006 general election. As stated in Indiana Code, a Township Trustee remains in office until a successor is elected and qualified. Since no one ran for the office Linda G. Orth retained the office until she resigned effective June 1, 2007.

LANE TOWNSHIP, WARRICK COUNTY
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for examination indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
General	2005	\$ 37
General	2006	1,712
Township Assistance	2006	581
Firefighting	2006	3,000

A similar comment was included in the prior report.

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not presented for examination. A similar comment was included in the prior report.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

BOARD MINUTES

Minutes of only one meeting of the governing body were available for examination. A similar comment was included in the prior report.

Indiana Code 5-14-1.5-4(b) states: "As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes taken, by individual members if there is a roll call.
- (5) Any additional information required under IC 5-1.5-2-2.5."

LANE TOWNSHIP, WARRICK COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

The board shall keep a record of proceedings in a separate book to be furnished by the trustee, and kept as a part of the records of the township, to be known as "The Record of the Township Board" of such township. The secretary of the township board shall under the direction of the board record the minutes of the proceedings of each meeting in full and provide copies of the minutes to each member of the township board before the next meeting is convened. After the minutes are approved by the township board, the secretary of the township board shall place the minutes in the permanent record book. (Accounting and Uniform Compliance Guidelines Manual for Township, Chapter 5)

DISBURSEMENT DOCUMENTATION

Several payments were observed which did not contain adequate supporting documentation such as receipts and invoices.

Due to the lack of supporting information, the validity and accountability for some monies disbursed could not be established.

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)

EXCESS DOG FUND

Dog Fund balances in excess of \$300 were not paid to the County Treasurer during the examination period. A similar comment was included in several prior reports.

The Township Trustee shall make a report of the Dog Fund to the County Auditor on the first Monday of March of each year, showing all receipts into the Dog Fund and all orders drawn against the Dog Fund in the order drawn. Any funds in the Township Fund designated for a humane society or any amount in the Dog Fund exceeding three hundred dollars over and above all orders drawn against said fund, shall be paid to the County Treasurer. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 7)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The Trustee did not comply with directives of the Internal Revenue Service and the Indiana Department of Revenue. Required taxes were not withheld from salaries and distributed to the proper authorities.

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

LANE TOWNSHIP, WARRICK COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges 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)

OVERDRAWN FUND BALANCES

The General Fund was overdrawn by \$4,341 in 2005 and by \$4,095 in 2006. A similar comment was included in the prior report.

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)

PRESCRIBED FORMS

The following prescribed forms were not in use:

Township Form 16 - Township Trustee Receipt
Township Form 17 - Resolution Establishing Salaries of
Township Officers and Employees

A similar comment was included the prior report.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

LANE TOWNSHIP, WARRICK COUNTY
EXIT CONFERENCE

Field work on this examination was completed on July 31, 2007. The former Trustee, Linda G. Orth, cancelled a previously scheduled exit conference and did not respond to efforts made to reschedule. Linda G. Orth resigned on June 1, 2007, and no replacement has been appointed as of this date. Therefore, no formal exit conference was held.