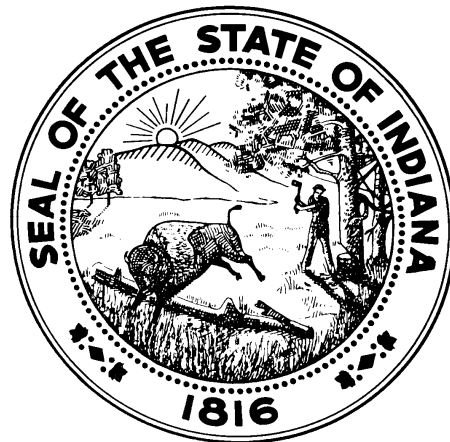


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
LINCOLN TOWNSHIP
HENDRICKS COUNTY, INDIANA
January 1, 2005 to December 31, 2006



FILED
12/27/2007

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OFFICIALS

Office

Official

Term

Trustee

R. Donovan Peoples

01-01-05 to 12-31-07

Chairman of the
Township Board

Greg Hauswald

01-01-05 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF LINCOLN TOWNSHIP, HENDRICKS COUNTY, INDIANA

We have examined the financial information presented herein of Lincoln 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

October 11, 2007

LINCOLN TOWNSHIP, HENDRICKS 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	\$ 61,440	\$ 40,739	\$ 71,670	\$ 30,509
Dog	2,982	2,858	4,625	1,215
Township Assistance	39,502	152,867	103,495	88,874
Park and Recreation	43,222	6,212	6,728	42,706
Fire Building Debt	3,638	162,700	135,487	30,851
Rainy Day	-	19,498	-	19,498
Totals	<u>\$ 150,784</u>	<u>\$ 384,874</u>	<u>\$ 322,005</u>	<u>\$ 213,653</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 30,509	\$ 81,951	\$ 57,712	\$ 54,748
Dog	1,215	2,290	3,505	-
Township Assistance	88,874	96,744	138,962	46,656
Park and Recreation	42,706	6,016	8,328	40,394
Fire Building Debt	30,851	183,044	134,588	79,307
Rainy Day	19,498	6,247	-	25,745
Totals	<u>\$ 213,653</u>	<u>\$ 376,292</u>	<u>\$ 343,095</u>	<u>\$ 246,850</u>

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

LINCOLN TOWNSHIP, HENDRICKS 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

Normally, 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 may 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.

LINCOLN TOWNSHIP, HENDRICKS 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. Long-Term Debt

The Township has entered into capital leases for building an administration facility and two fire stations as a member of a fire protection territory which includes the Town of Brownsburg and Brown Township, Hendricks County. The outstanding principal at December 31, 2006, was \$5,057,023. The payments are based on the Township's percentage of the total assessed valuation of the fire protection territory. This percentage and the corresponding lease payment are subject to change on an annual basis. As of December 31, 2006, the Township's percentage was 26%.

LINCOLN TOWNSHIP, HENDRICKS COUNTY
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances for the years 2005 and 2006 were not presented for examination.

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)

APPROPRIATIONS

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

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
General	2005	<u>\$ 10,543</u>

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."

LINCOLN TOWNSHIP, HENDRICKS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 11, 2007, with R. Donovan Peoples, Trustee. The official concurred with our findings.