

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

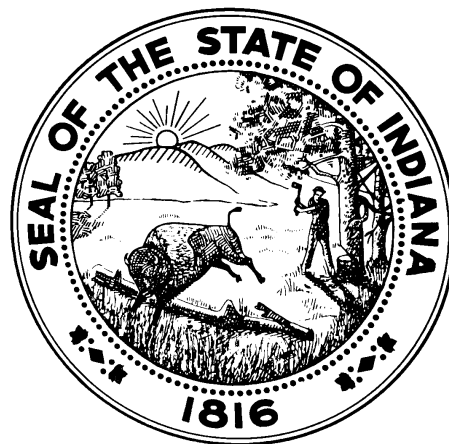
EXAMINATION REPORT

OF

LEXINGTON TOWNSHIP

SCOTT COUNTY, INDIANA

January 1, 2005 to December 31, 2006



FILED

12/31/2007

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OFFICIALS

Office

Official

Term

Trustee

Terry A. Barnes

01-01-05 to 12-31-10

Chairman of the
Township Board

Freddie L. Mace

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 LEXINGTON TOWNSHIP, SCOTT COUNTY, INDIANA

We have examined the financial information presented herein of Lexington 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

December 6, 2007

LEXINGTON TOWNSHIP, SCOTT 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	\$ 7,306	\$ 22,461	\$ 28,574	\$ 1,193
Dog	474	282	174	582
Township Assistance	6,872	6,623	7,684	5,811
Firefighting	1,263	21,723	18,550	4,436
Rainy Day	3,958	-	-	3,958
	<u>19,873</u>	<u>51,089</u>	<u>54,982</u>	<u>15,980</u>
Totals	<u>\$ 19,873</u>	<u>\$ 51,089</u>	<u>\$ 54,982</u>	<u>\$ 15,980</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 1,193	\$ 31,864	\$ 27,064	\$ 5,993
Dog	582	315	732	165
Township Assistance	5,811	10,244	6,705	9,350
Firefighting	4,436	31,332	35,550	218
Rainy Day	3,958	-	-	3,958
	<u>15,980</u>	<u>73,755</u>	<u>70,051</u>	<u>19,684</u>
Totals	<u>\$ 15,980</u>	<u>\$ 73,755</u>	<u>\$ 70,051</u>	<u>\$ 19,684</u>

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

LEXINGTON TOWNSHIP, SCOTT 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 received 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.

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.

LEXINGTON TOWNSHIP, SCOTT COUNTY
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSETS

Information presented for examination did not indicate an inventory or record of capital assets using Capital Asset Ledger (General Form 369).

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

TOWNSHIP ASSISTANCE STANDARDS

The Township does not have uniform written standards for the issuance of township assistance.

Indiana Code 12-20-5.5-1 states:

"(a) The township trustee shall process all applications for township assistance according to uniform written standards and without consideration of the race, creed, nationality, or gender of the applicant or any member of the applicant's household.

(b) The township's standards for the issuance of township assistance and the processing of applications must be:

- (1) governed by the requirement of this article;
- (2) proposed by the township trustee, adopted by the township board, and filed with the board of county commissioners;
- (3) reviewed and updated annually to reflect changes in the cost of basic necessities in the township and changes in the law;
- (4) published in a single written document, including addenda attached to the document; and
- (5) posted in a place prominently visible to the public in all offices of the township trustee where township applications are taken or processed."

LEXINGTON TOWNSHIP, SCOTT COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

TOWNSHIP ASSISTANCE PROCEDURES

We reviewed some of the township assistance transactions which were processed during the examination period. The following deficiencies regarding the transactions were noted:

- (1) Applications for Township Assistance (Form TA-1) were not completely filled out for six of the transactions reviewed.
- (2) Evidence was not presented for examination indicating that investigations were performed on township applicants and recipients for all transactions.

Indiana Code 12-20-6-8(c) states in part: "An application for township assistance is not considered complete until all adult members of the requesting household have signed:

- (1) the township assistance application; and
- (2) any other form, instrument, or document (A) required by law; or (B) determined necessary for investigative purposes by the trustee . . ."

Indiana Code 12-20-6-9 states in part: "If an application for township assistance is made to the township trustee . . . the township trustee . . . shall carefully investigate the circumstances of the applicant and each member of the applicant's household . . ."

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)

LEXINGTON TOWNSHIP, SCOTT COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 6, 2007, with Terry A. Barnes, Trustee. The official concurred with our findings.