

B36275

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

EXAMINATION REPORT  
OF  
HANOVER TOWNSHIP  
LAKE COUNTY, INDIANA  
January 1, 2008 to December 31, 2009



**FILED**  
04/22/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	James W. Hunley	01-01-07 to 12-31-10
Chairman of the Township Board	Donald Dust	01-01-08 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF HANOVER TOWNSHIP, LAKE COUNTY, INDIANA

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

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

March 29, 2010

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

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 12,460	\$ 248,153	\$ 262,966	\$ (2,353)
Cemetery	23,247	13,310	10,638	25,919
Township Assistance	(16,251)	170,751	168,222	(13,722)
Firefighting	(4,980)	105,492	94,067	6,445
Park and Recreation	9,188	6,287	6,396	9,079
Cumulative Fire	6,570	51,095	9,300	48,365
Emergency Ambulance	25,123	41,248	43,375	22,996
Debt Service	(917)	253,642	176,550	76,175
Assistance Donations	548	1,090	38	1,600
	<u>54,988</u>	<u>891,068</u>	<u>771,552</u>	<u>174,504</u>
Totals	<u>\$ 54,988</u>	<u>\$ 891,068</u>	<u>\$ 771,552</u>	<u>\$ 174,504</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ (2,353)	\$ 258,449	\$ 199,310	\$ 56,786
Cemetery	25,919	10,040	8,216	27,743
Township Assistance	(13,722)	161,100	120,333	27,045
Firefighting	6,445	68,596	55,630	19,411
Park and Recreation	9,079	7,465	4,707	11,837
Cumulative Fire	48,365	60,685	75,525	33,525
Emergency Ambulance	22,996	45,012	45,000	23,008
Debt Service	76,175	77,750	153,925	-
Assistance Donations	1,600	530	1,853	277
	<u>174,504</u>	<u>689,627</u>	<u>664,499</u>	<u>199,632</u>
Totals	<u>\$ 174,504</u>	<u>\$ 689,627</u>	<u>\$ 664,499</u>	<u>\$ 199,632</u>

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

HANOVER TOWNSHIP, LAKE 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.

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.

HANOVER TOWNSHIP, LAKE 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 Event

Tax Distribution

On January 20, 2010, the Township received a final settlement of 2008 pay 2009 taxes totaling \$187,196. The final settlement was 50% of the general property taxes for the Township.

HANOVER TOWNSHIP, LAKE COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2009

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
2007 American LaFrance Pumper	\$ 163,138	\$ 18,653

HANOVER TOWNSHIP, LAKE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on March 30, 2010, with James W. Hunley, Trustee; and Terri Blagojevic, Clerk. Our examination disclosed no material items that warrant comment at this time.