

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

EXAMINATION REPORT

OF

LANE TOWNSHIP

WARRICK COUNTY, INDIANA

January 1, 2007 to December 31, 2009



FILED

04/22/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Linda G. Orth	01-01-07 to 12-31-10
Chairman of the Township Board	*	

*No election of officers was held during any year under audit.



STATE OF INDIANA
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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, 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 31, 2010

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, 2007, 2008 And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ (4,095)	\$ 2,932	\$ 1,611	\$ (2,774)
Township Assistance	5,826	-	601	5,225
Firefighting	4,561	2,088	-	6,649
Dog	376	-	376	-
	<u>6,668</u>	<u>5,020</u>	<u>2,588</u>	<u>9,100</u>
Totals	<u>\$ 6,668</u>	<u>\$ 5,020</u>	<u>\$ 2,588</u>	<u>\$ 9,100</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ (2,774)	\$ 4,353	\$ 5,601	\$ (4,022)
Township Assistance	5,225	-	896	4,329
Firefighting	6,649	3,860	3,000	7,509
	<u>9,100</u>	<u>8,213</u>	<u>9,497</u>	<u>7,816</u>
Totals	<u>\$ 9,100</u>	<u>\$ 8,213</u>	<u>\$ 9,497</u>	<u>\$ 7,816</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ (4,022)	\$ 4,479	\$ 4,631	\$ (4,174)
Township Assistance	4,329	-	1,426	2,903
Firefighting	7,509	3,687	3,000	8,196
	<u>7,816</u>	<u>8,166</u>	<u>9,057</u>	<u>6,925</u>
Totals	<u>\$ 7,816</u>	<u>\$ 8,166</u>	<u>\$ 9,057</u>	<u>\$ 6,925</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, 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. 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.

LANE TOWNSHIP, WARRICK COUNTY
EXAMINATION RESULTS AND COMMENTS

BOARD MINUTES

Not all minutes of meetings of the governing body were available for examination. A similar comment was included in the prior report.

IC 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 Indiana Code 5-1.5-2-2.5."

OVERDRAWN FUND BALANCES

The Township Fund was overdrawn in 2007, 2008 and 2009.

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)

ANNUAL REPORT

Annual reports were not filed for 2007, 2008 or 2009.

The annual report shall be prepared, verified, and filed with the State Board of Accounts within 30 days after the close of each fiscal year. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

IC 5-11-1-4 states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be filed electronically, in a manner prescribed by the state examiner that is compatible with the technology employed by the political subdivision."

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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

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.

IC 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>Years</u>	<u>Excess Amount Expended</u>
Township Fund	2008	\$ 2,565
Township Fund	2009	994

An approved budget for 2007 was not provided for examination.

IC 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."

BOARD OF FINANCE

There were no annual meetings of the board of finance or the election of officers to the board of finance during 2007, 2008, 2009, or 2010.

IC 5-13-7-6(a) states in part:

"Each local board of finance shall meet annually after the first Monday and on or before the last day of January. At the annual meeting the board of finance shall . . . Elect, from the board's membership . . . a president; and a secretary . . . The officers elected hold office until the officers' successors are elected and qualified."

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

TOWNSHIP BOARD

The Township Board did not meet in January and elect officers in 2007, 2008, 2009, or 2010.

IC 36-6-6-7(a) states: "The legislative body shall meet at the office of the executive on the first Tuesday after the first Monday in January of each year. At this meeting the legislative body shall elect one (1) member as chairman for that year and one (1) member as secretary for that year.

LANE TOWNSHIP, WARRICK COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 31, 2010, with Linda G. Orth, Trustee. The official concurred with our findings.