

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

PRAIRIE TOWNSHIP

LAPORTE COUNTY, INDIANA

January 1, 2011 to December 31, 2014



FILED
02/15/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Lynne A. Shei Robert Younggreen	01-01-11 to 12-31-14 01-01-15 to 12-31-18
Chairman of the Township Board	Chester M. Rosenkranz	01-01-11 to 12-31-15



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF PRAIRIE TOWNSHIP, LAPORTE COUNTY, INDIANA

We were engaged to examine the accompanying financial statements of Prairie Township (Township), for the period of January 1, 2011 to December 31, 2014. The financial statements are the responsibility of the Township's management.

The Township did not maintain supporting documentation to support the disbursements recorded in the accounting records. The Township's records do not permit the application of other examination procedures to ascertain if the financial statements are fairly stated.

Since the Township did not provide supporting documentation to support the disbursements recorded in the accounting records and we were not able to apply other examination procedures to satisfy ourselves as to whether the financial statements are fairly stated, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on these financial statements.

Our examination was conducted for the purpose of forming an opinion on the Township's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures and, accordingly, we express no opinion on them.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

March 16, 2015

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FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

The financial statements and accompanying notes were approved by management of the Township.
The financial statements and notes are presented as intended by the Township.

PRAIRIE TOWNSHIP, LAPORTE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2011 and 2012

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11	Receipts	Disbursements	Cash and Investments 12-31-12
Township	\$ 5,852	\$ 14,578	\$ 18,961	\$ 1,469	\$ 12,673	\$ 14,023	\$ 119
Riverboat	3,329	9,878	2,107	11,100	15,182	21,533	4,749
Township Assistance	17,362	-	641	16,721	-	1,631	15,090
Fire Fighting	(21,778)	40,429	19,000	(349)	20,729	28,000	(7,620)
Rainy Day	147,436	473	28,754	119,155	231	8,818	110,568
Cumulative Fire Fund	-	-	-	-	11,032	11,000	32
Pre-School	4,523	16	4,539	-	-	-	-
School General	2,796,071	1,214	2,796,499	786	91,486	91,772	500
Transportation	25,538	28,709	54,247	-	-	-	-
Totals	\$ 2,978,333	\$ 95,297	\$ 2,924,748	\$ 148,882	\$ 151,333	\$ 176,777	\$ 123,438

The notes to the financial statements are an integral part of this statement.

PRAIRIE TOWNSHIP, LAPORTE COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2013 and 2014

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13	Receipts	Disbursements	Cash and Investments 12-31-14
Township	\$ 119	\$ 13,013	\$ 15,486	\$ (2,354)	\$ 75,119	\$ 18,523	\$ 54,242
Riverboat	4,749	9,576	21,230	(6,905)	36,310	2,889	26,516
Township Assistance	15,090	-	-	15,090	3,923	1,200	17,813
Fire Fighting	(7,620)	32,232	29,000	(4,388)	40,738	38,000	(1,650)
Rainy Day	110,568	75	129,281	(18,638)	40,000	35,633	(14,271)
Cumulative Fire Fund	32	22,549	9,000	13,581	21,502	-	35,083
School General	500	4,507	658	4,349	-	-	4,349
	<u>500</u>	<u>4,507</u>	<u>658</u>	<u>4,349</u>	<u>-</u>	<u>-</u>	<u>4,349</u>
Totals	<u>\$ 123,438</u>	<u>\$ 81,952</u>	<u>\$ 204,655</u>	<u>\$ 735</u>	<u>\$ 217,592</u>	<u>\$ 96,245</u>	<u>\$ 122,082</u>

The notes to the financial statements are an integral part of this statement.

PRAIRIE TOWNSHIP, LAPORTE COUNTY
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Township was established under the laws of the State of Indiana. The Township operates under a township trustee/township board form of government and provides some or all of the following services: public safety (fire), health and social services (township assistance), culture and recreation (parks and/or community centers), and general administrative services (weed and dog control).

The accompanying financial statements present the financial information for the Township.

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include, but are not limited to, the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Township.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: copies of public records, copy machine charges, park rental fees.

PRAIRIE TOWNSHIP, LAPORTE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include, but are not limited to, the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The Township may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the Township. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Township. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Township in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

PRAIRIE TOWNSHIP, LAPORTE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Township submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Township in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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 statutes authorize 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 5. Risk Management

The Township may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Township to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

PRAIRIE TOWNSHIP, LAPORTE COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 6. Cash Balance Deficits

The financial statements report several funds with deficit cash balances. This is primarily the result of spending in excess of receipts.

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OTHER INFORMATION - UNAUDITED

The Township's Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the Township which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The other information presented was approved by management of the Township. It is presented as intended by the Township.

PRAIRIE TOWNSHIP, LAPORTE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2011

	Township	Riverboat	Township Assistance	Fire Fighting	Rainy Day	Cumulative Fire Fund	Pre-School	School General	Transportation	Totals
Cash and investments - beginning	\$ 5,852	\$ 3,329	\$ 17,362	\$ (21,778)	\$ 147,436	\$ -	\$ 4,523	\$ 2,796,071	\$ 25,538	\$ 2,978,333
Receipts:										
Taxes	9,063	-	-	37,069	-	-	16	303	25,278	71,729
Intergovernmental	5,496	9,878	-	3,360	-	-	-	786	3,112	22,632
Charges for services	-	-	-	-	75	-	-	-	-	75
Other receipts	19	-	-	-	398	-	-	125	319	861
Total receipts	<u>14,578</u>	<u>9,878</u>	<u>-</u>	<u>40,429</u>	<u>473</u>	<u>-</u>	<u>16</u>	<u>1,214</u>	<u>28,709</u>	<u>95,297</u>
Disbursements:										
Personal services	12,750	-	-	-	-	-	-	-	-	12,750
Supplies	3,548	75	-	-	3,276	-	-	-	-	6,899
Other services and charges	1,248	438	641	-	3,598	-	-	-	-	5,925
Capital outlay	-	1,594	-	-	-	-	-	-	-	1,594
Other disbursements	1,415	-	-	19,000	21,880	-	4,539	2,796,499	54,247	2,897,580
Total disbursements	<u>18,961</u>	<u>2,107</u>	<u>641</u>	<u>19,000</u>	<u>28,754</u>	<u>-</u>	<u>4,539</u>	<u>2,796,499</u>	<u>54,247</u>	<u>2,924,748</u>
Excess (deficiency) of receipts over disbursements	<u>(4,383)</u>	<u>7,771</u>	<u>(641)</u>	<u>21,429</u>	<u>(28,281)</u>	<u>-</u>	<u>(4,523)</u>	<u>(2,795,285)</u>	<u>(25,538)</u>	<u>(2,829,451)</u>
Cash and investments - ending	\$ <u>1,469</u>	\$ <u>11,100</u>	\$ <u>16,721</u>	\$ <u>(349)</u>	\$ <u>119,155</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>786</u>	\$ <u>-</u>	\$ <u>148,882</u>

PRAIRIE TOWNSHIP, LAPORTE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2012

	Township	Riverboat	Township Assistance	Fire Fighting	Rainy Day	Cumulative Fire Fund	Pre-School	School General	Transportation	Totals
Cash and investments - beginning	\$ 1,469	\$ 11,100	\$ 16,721	\$ (349)	\$ 119,155	\$ -	\$ -	\$ 786	\$ -	\$ 148,882
Receipts:										
Taxes	9,262	-	-	20,729	-	11,032	-	90,972	-	131,995
Intergovernmental	3,111	15,107	-	-	-	-	-	514	-	18,732
Charges for services	-	75	-	-	75	-	-	-	-	150
Other receipts	300	-	-	-	156	-	-	-	-	456
Total receipts	<u>12,673</u>	<u>15,182</u>	<u>-</u>	<u>20,729</u>	<u>231</u>	<u>11,032</u>	<u>-</u>	<u>91,486</u>	<u>-</u>	<u>151,333</u>
Disbursements:										
Personal services	13,300	-	-	-	-	-	-	-	-	13,300
Supplies	75	3,269	-	-	399	-	-	-	-	3,743
Other services and charges	648	4,044	1,631	28,000	2,360	11,000	-	-	-	47,683
Capital outlay	-	14,220	-	-	5,905	-	-	-	-	20,125
Other disbursements	-	-	-	-	154	-	-	91,772	-	91,926
Total disbursements	<u>14,023</u>	<u>21,533</u>	<u>1,631</u>	<u>28,000</u>	<u>8,818</u>	<u>11,000</u>	<u>-</u>	<u>91,772</u>	<u>-</u>	<u>176,777</u>
Excess (deficiency) of receipts over disbursements	<u>(1,350)</u>	<u>(6,351)</u>	<u>(1,631)</u>	<u>(7,271)</u>	<u>(8,587)</u>	<u>32</u>	<u>-</u>	<u>(286)</u>	<u>-</u>	<u>(25,444)</u>
Cash and investments - ending	<u>\$ 119</u>	<u>\$ 4,749</u>	<u>\$ 15,090</u>	<u>\$ (7,620)</u>	<u>\$ 110,568</u>	<u>\$ 32</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 123,438</u>

PRAIRIE TOWNSHIP, LAPORTE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013

	Township	Riverboat	Township Assistance	Fire Fighting	Rainy Day	Cumulative Fire Fund	School General	Totals
Cash and investments - beginning	\$ 119	\$ 4,749	\$ 15,090	\$ (7,620)	\$ 110,568	\$ 32	\$ 500	\$ 123,438
Receipts:								
Taxes	13,013	-	-	32,232	-	22,549	-	67,794
Intergovernmental	-	9,496	-	-	-	-	4,507	14,003
Charges for services	-	-	-	-	75	-	-	75
Other receipts	-	80	-	-	-	-	-	80
Total receipts	<u>13,013</u>	<u>9,576</u>	<u>-</u>	<u>32,232</u>	<u>75</u>	<u>22,549</u>	<u>4,507</u>	<u>81,952</u>
Disbursements:								
Personal services	13,000	-	-	-	-	-	-	13,000
Supplies	276	-	-	-	-	-	-	276
Other services and charges	2,210	21,230	-	-	129,281	-	-	152,721
Other disbursements	-	-	-	29,000	-	9,000	658	38,658
Total disbursements	<u>15,486</u>	<u>21,230</u>	<u>-</u>	<u>29,000</u>	<u>129,281</u>	<u>9,000</u>	<u>658</u>	<u>204,655</u>
Excess (deficiency) of receipts over disbursements	<u>(2,473)</u>	<u>(11,654)</u>	<u>-</u>	<u>3,232</u>	<u>(129,206)</u>	<u>13,549</u>	<u>3,849</u>	<u>(122,703)</u>
Cash and investments - ending	<u>\$ (2,354)</u>	<u>\$ (6,905)</u>	<u>\$ 15,090</u>	<u>\$ (4,388)</u>	<u>\$ (18,638)</u>	<u>\$ 13,581</u>	<u>\$ 4,349</u>	<u>\$ 735</u>

PRAIRIE TOWNSHIP, LAPORTE COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014

	Township	Riverboat	Township Assistance	Fire Fighting	Rainy Day	Cumulative Fire Fund	School General	Totals
Cash and investments - beginning	\$ (2,354)	\$ (6,905)	\$ 15,090	\$ (4,388)	\$ (18,638)	\$ 13,581	\$ 4,349	\$ 735
Receipts:								
Taxes	23,387	-	3,923	37,738	-	21,502	-	86,550
Intergovernmental	6,369	11,462	-	-	-	-	-	17,831
Charges for Services	225	-	-	-	-	-	-	225
Other receipts	45,138	24,848	-	3,000	40,000	-	-	112,986
Total receipts	75,119	36,310	3,923	40,738	40,000	21,502	-	217,592
Disbursements:								
Personal services	11,103	670	-	-	-	-	-	11,773
Supplies	390	495	-	-	-	-	-	885
Other services and charges	3,167	1,724	1,200	38,000	975	-	-	45,066
Other disbursements	3,863	-	-	-	34,658	-	-	38,521
Total disbursements	18,523	2,889	1,200	38,000	35,633	-	-	96,245
Excess (deficiency) of receipts over disbursements	56,596	33,421	2,723	2,738	4,367	21,502	-	121,347
Cash and investments - ending	\$ 54,242	\$ 26,516	\$ 17,813	\$ (1,650)	\$ (14,271)	\$ 35,083	\$ 4,349	\$ 122,082

OTHER REPORTS

In addition to this report, other reports may have been issued for the Township. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.