

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
HICKORY GROVE TOWNSHIP
BENTON COUNTY, INDIANA
January 1, 2003 to December 31, 2005



FILED
09/25/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Leona K. Butts	01-01-03 to 12-31-06
Chairman of the Township Board	Harold Trueblood Kevin McNeil	01-01-03 to 12-31-05 01-01-06 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF HICKORY GROVE TOWNSHIP, BENTON COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Hickory Grove Township (Township), for the period of January 1, 2003 to December 31, 2005. The Township's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2003, 2004, and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 10, 2006

HICKORY GROVE TOWNSHIP, BENTON COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 45,422	\$ 18,879	\$ 25,634	\$ 38,667
Dog	645	298	390	553
Township Assistance	15,530	5,497	1,568	19,459
Firefighting	36,109	34,301	34,855	35,555
Cumulative Fire	6,176	6,493	-	12,669
Totals	<u>\$ 103,882</u>	<u>\$ 65,468</u>	<u>\$ 62,447</u>	<u>\$ 106,903</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 38,667	\$ 23,943	\$ 28,615	\$ 33,995
Dog	553	300	297	556
Township Assistance	19,459	245	3,114	16,590
Firefighting	35,555	32,933	40,686	27,802
Cumulative Fire	12,669	6,477	12,000	7,146
Totals	<u>\$ 106,903</u>	<u>\$ 63,898</u>	<u>\$ 84,712</u>	<u>\$ 86,089</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 33,995	\$ 24,820	\$ 25,045	\$ 33,770
Dog	556	258	294	520
Township Assistance	16,590	240	4,030	12,800
Firefighting	27,802	34,978	24,434	38,346
Cumulative Fire	7,146	6,566	-	13,712
Totals	<u>\$ 86,089</u>	<u>\$ 66,862</u>	<u>\$ 53,803</u>	<u>\$ 99,148</u>

The accompanying notes are an integral part of the schedules.

HICKORY GROVE TOWNSHIP, BENTON COUNTY
NOTES TO SCHEDULES

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.

HICKORY GROVE TOWNSHIP, BENTON COUNTY
EXAMINATION RESULT AND COMMENT

ADVANCE PAYMENTS

Dates of transactions indicate that the Trustee received salary and office rent prior to the Township's receipt of these services. The Trustee had received all of the annual salary in 2003 by July 31, 2003, and all of 2003 rent by April 30, 2003. All of the 2004 salary, except one check in August, was received by June 30, 2004, and all the Township amount budgeted for rent was received in January 2004. All salary, except for one check in September, was received by July 31, 2005, and all 2005 rent was received by September 30, 2005.

Indiana Code 5-7-3-1 states in part: "(a) Public officers may not draw or receive their salaries in advance."

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

HICKORY GROVE TOWNSHIP, BENTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 10, 2006, with Leona K. Butts, Trustee. The official concurred with our findings.