

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

EXAMINATION REPORT

OF

HUDSON TOWNSHIP

LAPORTE COUNTY, INDIANA

January 1, 2005 to December 31, 2006



FILED

10/31/2007

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OFFICIALS

Office

Official

Term

Trustee

Ronald J. Hora
Richard Gray

01-01-03 to 12-31-06
01-01-07 to 12-31-10

Chairman of the
Township Board

Irvin Andrysiak
Jack DeGroot

01-01-05 to 12-31-06
01-01-07 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Hudson 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

August 29, 2007

HUDSON TOWNSHIP, LAPORTE 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	\$ 6,435	\$ 19,389	\$ 15,583	\$ 10,241
Dog	524	224	823	(75)
Township Assistance	7,289	1,024	4,016	4,298
Firefighting	18,251	64,432	65,189	17,494
Park and Recreation	2,500	-	-	2,500
Fire Debt	8,865	13,926	14,696	8,095
Cumulative Fire	27,974	13,670	35,036	6,608
Totals	<u>\$ 71,838</u>	<u>\$ 112,665</u>	<u>\$ 135,342</u>	<u>\$ 49,161</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 10,241	\$ 16,377	\$ 17,165	\$ 9,453
Dog	(75)	458	383	-
Township Assistance	4,298	2,532	4,307	2,523
Firefighting	17,494	66,553	63,843	20,204
Park and Recreation	2,500	145	2,645	-
Levy Excess	-	5,413	-	5,413
Fire Debt	8,095	14,583	15,482	7,197
Cumulative Fire	6,608	12,830	4,447	14,991
Totals	<u>\$ 49,161</u>	<u>\$ 118,891</u>	<u>\$ 108,271</u>	<u>\$ 59,781</u>

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

HUDSON TOWNSHIP, LAPORTE 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.

Note 6. Subsequent Events

Tax Levies and Rates for 2007

Due to delays caused by trending of assessments, the assessed valuations of LaPorte County have not been finalized. Therefore, the 2006 pay 2007 property tax rates and levies, as well as the related budget orders for 2007, have not yet been established as of August 20, 2007.

HUDSON TOWNSHIP, LAPORTE COUNTY
EXAMINATION RESULTS AND COMMENTS

RECEIPT ISSUANCE

The Township does not have a duplicate receipts book, and does not issue receipts for funds collected.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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)

CERTIFIED REPORT OF NAMES, ADDRESSES, DUTIES AND COMPENSATION
OF PUBLIC EMPLOYEES (FORM 100R)

The Township did not file a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100R) in 2005 or 2006.

Each township trustee shall, during the month of January of each year, make and sign a written or printed certified report, correctly and completely showing the names and addresses of each and all officers and employees of the township and the respective duties and compensation of each. The report must be filed (on Form 100R) in the office of the State Examiner of the State Board of Accounts, 302 West Washington Street, Room E418, Indianapolis, Indiana, 46204-2765. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 12)

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

A list of officials or employees of the Township was not certified to the County Treasurer.

Indiana Code 6-1.1-22-14(a) states in part: "On or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the names and addresses of each person who has money due the person from the political subdivision to the treasurer of each county in which the political subdivision is located."

HUDSON TOWNSHIP, LAPORTE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Indiana Code 6-1.1-22-14(c) states in part: "Upon the receipt of the information . . . the county treasurer shall search the treasurer's records to ascertain if any person so certified to the treasurer is delinquent in the payment of property taxes."

OFFICIAL BOND

The official bond for the Township Trustee was not filed in the Office of the County Recorder.

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder . . ."

EMPLOYEE EARNINGS

Internal Revenue Service W-2 and 1099 forms were not provided for the Township Trustee for 2005 or 2006.

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Departments of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

HUDSON TOWNSHIP, LAPORTE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 29, 2007, with Richard Gray, Trustee.

The contents of this report were discussed on September 6, 2007, with Ronald J. Hora, former Trustee. The official concurred with our findings.