

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

EXAMINATION REPORT  
OF  
HANGING GROVE TOWNSHIP  
JASPER COUNTY, INDIANA  
January 1, 2006 to December 31, 2007



**FILED**  
05/14/2008



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Rebecca Brandenburg	01-01-06 to 12-31-10
Chairman of the Township Board	Robert Wuerthner Melvin Streitmatter	01-01-06 to 12-31-06 01-01-07 to 12-31-08



**STATE OF INDIANA**  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF HANGING GROVE TOWNSHIP, JASPER COUNTY, INDIANA

We have examined the financial information presented herein of Hanging Grove Township (Township), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

February 27, 2008

HANGING GROVE TOWNSHIP, JASPER COUNTY  
 SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
 ALL GOVERNMENTAL FUND TYPES  
 As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 23,377	\$ 17,813	\$ 15,561	\$ 25,629
Dog	307	35	7	335
Township Assistance	17,685	536	213	18,008
Firefighting	15,460	4,961	5,314	15,107
Rainy Day	309	-	-	309
	<u>309</u>	<u>-</u>	<u>-</u>	<u>309</u>
Totals	<u>\$ 57,138</u>	<u>\$ 23,345</u>	<u>\$ 21,095</u>	<u>\$ 59,388</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 25,629	\$ 6,802	\$ 15,636	\$ 16,795
Dog	335	-	335	-
Township Assistance	18,008	10	200	17,818
Firefighting	15,107	205	5,314	9,998
Rainy Day	309	1,006	-	1,315
	<u>309</u>	<u>1,006</u>	<u>-</u>	<u>1,315</u>
Totals	<u>\$ 59,388</u>	<u>\$ 8,023</u>	<u>\$ 21,485</u>	<u>\$ 45,926</u>

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

HANGING GROVE TOWNSHIP, JASPER 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 or highway use taxes are received 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.

HANGING GROVE TOWNSHIP, JASPER COUNTY  
EXAMINATION RESULT AND COMMENT

FEDERAL AND STATE AGENCIES – COMPLIANCE REQUIREMENTS

The Township did not comply with the directives of the Internal Revenue Service by not issuing a Form 1099 (Miscellaneous Income) for office rent paid to the Trustee for \$4,200 in 2006 and 2007.

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)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department 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)

HANGING GROVE TOWNSHIP, JASPER COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on February 27, 2008, with Rebecca Brandenburg, Trustee. The official concurred with our finding.