

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

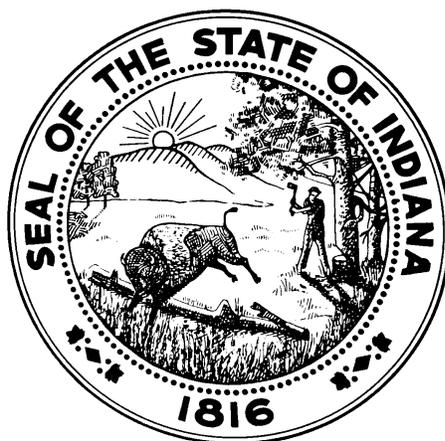
EXAMINATION REPORT

OF

HOBART TOWNSHIP

LAKE COUNTY, INDIANA

January 1, 2006 to December 31, 2007



FILED

01/21/2009

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Barbara S. Rosser	01-01-03 to 12-31-10
Chairman of the Township Board	Michael Ellis Thomas Silich Margaret Kuchta	01-01-06 to 12-31-06 01-01-07 to 12-31-07 01-01-08 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF HOBART TOWNSHIP, LAKE COUNTY, INDIANA

We have examined the financial information presented herein of Hobart 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

December 3, 2008

HOBART TOWNSHIP, LAKE COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY 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	\$ 74,051	\$ 380,611	\$ 314,513	\$ 140,149
Dog	348	91	439	-
Township Assistance	244,227	450,015	355,719	338,523
Firefighting	13,328	1,124	3,000	11,452
Park and Recreation	172,189	122,299	115,661	178,827
Property Maintenance	92,936	176,445	146,397	122,984
Totals	<u>\$ 597,079</u>	<u>\$ 1,130,585</u>	<u>\$ 935,729</u>	<u>\$ 791,935</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 140,149	\$ 144,564	\$ 227,831	\$ 56,882
Township Assistance	338,523	306,022	466,473	178,072
Firefighting	11,452	1,055	3,000	9,507
Park and Recreation	178,827	6,977	25,500	160,304
Property Maintenance	122,984	80,666	137,560	66,090
Totals	<u>\$ 791,935</u>	<u>\$ 539,284</u>	<u>\$ 860,364</u>	<u>\$ 470,855</u>

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

HOBART TOWNSHIP, LAKE 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 (fire), 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).

However, property tax rates and levies for 2005 payable in 2006 were not established by February 15, 2005, as required by state statute due to the delay in the completion of the reassessment of Lake County. The final settlement of the 2005 payable in 2006 was distributed on January 4, 2007.

Property tax rates and levies for 2006 taxes payable in 2007 were not established by February 15, 2006, as required by state statute due to the delay in the completion of the reassessment of Lake County. The tax bills were mailed to Lake County residents on December 26, 2007. They were due on January 31, 2008. The final settlement of the 2006 taxes payable in 2007 was distributed on March 20, 2008.

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.

HOBART TOWNSHIP, LAKE COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

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. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Township contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Township authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Note 7. Subsequent Event

Property tax rates and levies were not established by the Indiana Department of Local Government Finance as of February 15, 2007, as required by state statute, due to the continued delay caused by the reassessment of Lake County. Provisional bills for 2007 taxes payable 2008 were sent out September 22, 2008, and were due October 29, 2008.

HOBART TOWNSHIP, LAKE COUNTY
EXAMINATION RESULT AND COMMENTS

OFFICIAL BOND

The Trustee's official bonds were not filed in the Office of the County Recorder for 2006-2008. Subsequently, the 2007 and 2008 officials bond have been filed as of December 3, 2008. The amount of surety bond is not to be less than \$15,000; however, the Trustee's surety bond was for \$8,500.

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 . . ."

The trustee shall file an individual official surety bond. The township board shall fix the amount of the bond as follows: (a) The amount should equal fifteen thousand dollars (\$15,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond. (b) The amount may not be less than fifteen thousand dollars (\$15,000) nor more than three hundred thousand dollars (\$300,000). The township board may, by resolution, authorize blanket bond coverage for the aforementioned. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

HOBART TOWNSHIP, LAKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 3, 2008, with Barbara S. Rosser, Trustee. The official response has been made a part of this report and may be found on pages 9 and 10.

December 5, 2008

Dear State Board of Accounts:

On December 3rd, the Auditor for the State Board of Accounts, asked why my official bonds for Hobart Township were not stamped and filed at the Recorder's office in Crown Point, Lake County, In.. I replied and said, I don't know why; because the recorder's office always file stamp them. I told the Auditor that I would go to the recorder's office and find out why they weren't file stamped. When I got to the recorder's office, I was directed to the back of the office to have my bonds checked to see if they had been recorded. When the woman came back; she replied, I can not find where they were recorded. I responded, that I could not believe that I had not recorded my Official Bonds for Hobart Township; please record them now, so the woman at the front counter recorded my official bonds. When I got back to the office, I told the Auditor that I still could not

Cont. Page Two

believe it; but I failed to record my Official Bonds. So, while I was at the recorder's office; I had them recorded. The Auditor also explained that the official bonds should have been for \$15,000; but they were for \$8,500. I called the Insurance Company and told them I needed to change my bond for January 1st 2009 - December 31st 2009 from \$8,500. to \$15,000.

I received the Bond for 2009, today, December 5th, and went straight to the recorder's office and had my Official Bond recorded.

Please accept my Apology for not having my Official Bonds recorded and also for them not being; for the correct amount.

I promise you and the Citizens of Hobart Township that this will not happen again.

Sincerely,

Barbara S. Rosser
Hobart Township Trustee