

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

EXAMINATION REPORT
OF
HOGAN TOWNSHIP
DEARBORN COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
01/21/2009

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information: Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5
Examination Results and Comments: Payroll Withholding Taxes	6
Township Assistance	6
Exit Conference.....	7
Summary	8

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Elvin A. Newman Michael R. Merrill	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Chairman of the Township Board	Orville D. Weaver Elvin A. Newman	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 HOGAN TOWNSHIP, DEARBORN COUNTY, INDIANA

We have examined the financial information presented herein of Hogan 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 8, 2008

HOGAN TOWNSHIP, DEARBORN 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	\$ 40,000	\$ 25,272	\$ 9,441	\$ 55,831
Dog	533	267	800	-
Township Assistance	16,677	3,185	2,537	17,325
Firefighting	34,663	29,666	15,400	48,929
Rainy Day	2,567	2,978	-	5,545
Totals	<u>\$ 94,440</u>	<u>\$ 61,368</u>	<u>\$ 28,178</u>	<u>\$ 127,630</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 55,831	\$ 11,813	\$ 7,530	\$ 60,114
Township Assistance	17,325	960	1,232	17,053
Firefighting	48,929	10,795	17,000	42,724
Rainy Day	5,545	-	-	5,545
Totals	<u>\$ 127,630</u>	<u>\$ 23,568</u>	<u>\$ 25,762</u>	<u>\$ 125,436</u>

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

HOGAN TOWNSHIP, DEARBORN 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, 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.

HOGAN TOWNSHIP, DEARBORN COUNTY
EXAMINATION RESULTS AND COMMENTS

PAYROLL WITHHOLDING TAXES

Payments to officials and employees for the year 2007 were made without deductions for payroll taxes. In filing Internal Revenue Service (IRS) Form 941 the Township reported and remitted the proper amounts of social security and medicare taxes of \$642.60 which included the employee and employer share. This resulted in an overpayment from the Township Fund of \$321.30 that should have been paid from payroll withholdings in the following amounts:

<u>Official/Employee</u>	<u>Amount</u>
Michael R. Merrill	\$ 203.47
Theresa Merrill	55.85
Elvin A. Newman	20.66
John Probst	20.66
William Shuter	<u>20.66</u>
Total	<u>\$ 321.30</u>

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)

On December 3, 2008, we requested that Mr. Merrill reimburse the Township \$321.30.

Upon our request, Mr. Merrill reimbursed the Township \$321.30 on December 8, 2008. (See Summary, page 8)

TOWNSHIP ASSISTANCE

The following was noted in a review of disbursements for Township assistance:

1. Township Assistance Purchase Order (Form TA-2) was not in use in 2007.

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)

2. Supporting documentation for 75% of the Township assistance payments tested was not presented for examination with the corresponding Township Assistance applications.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

HOGAN TOWNSHIP, DEARBORN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 8, 2008, with Michael R. Merrill, Trustee. The official concurred with our findings.

HOGAN TOWNSHIP, DEARBORN COUNTY
SUMMARY

	Charges	Credits	Balance Due
Michael R. Merrill, Trustee:			
Payroll Withholding Taxes, page 6	\$ 321.30	\$	\$
Refund of charges deposited December 8, 2008		321.30	-
 Totals	\$ 321.30	\$ 321.30	\$ -