

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

EXAMINATION REPORT  
OF  
HUDSON TOWNSHIP  
LAPORTE COUNTY, INDIANA  
January 1, 2007 to December 31, 2009



**FILED**  
04/08/2010



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OFFICIALS

Office

Official

Term

Trustee

Richard D. Gray

01-01-07 to 12-31-10

Chairman of the  
Township Board

Jack DeGrootte  
Michele Rizzo

01-01-07 to 12-31-07  
01-01-08 to 12-31-10



**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, 2007 to December 31, 2009. 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, 2007, 2008, and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

March 22, 2010

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, 2007, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 9,454	\$ 13,404	\$ 14,001	\$ 8,857
Township Assistance	2,522	275	611	2,186
Fire Fighting	20,204	33,449	76,443	(22,790)
Cumulative Fire	14,991	852	-	15,843
Fire Debt	7,197	8,497	14,695	999
Levy Excess	5,413	-	-	5,413
Totals	<u>\$ 59,781</u>	<u>\$ 56,477</u>	<u>\$ 105,750</u>	<u>\$ 10,508</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 8,857	\$ 14,198	\$ 18,889	\$ 4,166
Township Assistance	2,186	5,257	718	6,725
Fire Fighting	(22,790)	105,749	81,848	1,111
Cumulative Fire	15,843	17,767	-	33,610
Fire Debt	999	20,698	14,696	7,001
Levy Excess	5,413	-	5,413	-
Totals	<u>\$ 10,508</u>	<u>\$ 163,669</u>	<u>\$ 121,564</u>	<u>\$ 52,613</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 4,166	\$ 16,076	\$ 18,532	\$ 1,710
Township Assistance	6,725	3,696	767	9,654
Fire Fighting	1,111	59,006	79,194	(19,077)
Cumulative Fire	33,610	12,079	-	45,689
Fire Debt	7,001	14,152	14,695	6,458
Totals	<u>\$ 52,613</u>	<u>\$ 105,009</u>	<u>\$ 113,188</u>	<u>\$ 44,434</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.

HUDSON TOWNSHIP, LAPORTE COUNTY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

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. Loan Payable

The Township borrowed \$55,000 on December 24, 2008, due December 31, 2009. Because sufficient property tax distributions were not received, this loan was extended until July 1, 2010.

Note 7. Subsequent Event

LaPorte County Property Taxes

LaPorte County has not completed and settled an approved property tax cycle since the 2005 payable 2006 property tax year. Each subsequent year the County has sent out various forms of provisional bills with the notice that a reconciliation bill will be provided to taxpayers once assessments are approved and certified and final tax rates are established. These delays and uncertainties have resulted in a lower than budgeted property tax collection rate for the Township. It cannot be determined how much property tax collections the Township will receive once all the reconciliation bills have been distributed and the collections received. Provisional bills for taxes payable in 2009 were due January 29, 2010. The Township received their distribution on February 11, 2010.

HUDSON TOWNSHIP, LAPORTE COUNTY  
EXAMINATION RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES

The fund balance of the Fire Fighting Fund was overdrawn as of December 31, 2007 and 2009, by \$22,789.86 and \$19,076.60, respectively.

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

APPROPRIATIONS

The records presented for examination indicated that the Fire Fighting Fund expenditures exceeded budgeted appropriations by \$3,961.74 for 2007. Certified budgets were not available for 2008 or 2009 due to the ongoing property reassessment in LaPorte County.

IC 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

RECEIPT ISSUANCE

The Township does not issue Township Receipt Form 16 for funds received.

The Township Trustee's Receipt (Form 16-1997) is to be used for receipt of each item of money received. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

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)

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

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

Officials of the Township had money due from the Township, but a list of such officials was not certified to the County Treasurer.

IC 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."

CERTIFIED REPORT (FORM 100R) NOT FILED

The Township did not file a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100R) in 2007, 2008, or 2009.

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)

HUDSON TOWNSHIP, LAPORTE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on March 22, 2010, with Richard D. Gray,  
Trustee.