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

EXAMINATION REPORT
OF
HOBART TOWNSHIP
LAKE COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
04/22/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Barbara S. Rosser	01-01-07 to 12-31-10
Chairman of the Township Board	Margaret Kuchta Michael Ellis	01-01-08 to 12-31-09 01-01-10 to 12-31-10



STATE OF INDIANA
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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), Lake County, for the period of January 1, 2008 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, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

March 24, 2010

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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 56,882	\$ 293,010	\$ 246,351	\$ 103,541
Township Assistance	178,072	275,160	347,425	105,807
Firefighting	9,507	1,174	3,000	7,681
Park and Recreation	160,304	11,829	42,137	129,996
Property Maintenance	66,090	203,257	154,466	114,881
Fiduciary Fund:				
Payroll Withholdings	-	64,996	64,996	-
Totals	<u>\$ 470,855</u>	<u>\$ 849,426</u>	<u>\$ 858,375</u>	<u>\$ 461,906</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 103,541	\$ 294,410	\$ 370,963	\$ 26,988
Township Assistance	105,807	538,800	511,448	133,159
Firefighting	7,681	10,986	3,000	15,667
Park and Recreation	129,996	12,884	138,407	4,473
Property Maintenance	114,881	139,011	155,873	98,019
Fiduciary Fund:				
Payroll Withholdings	-	62,834	62,834	-
Totals	<u>\$ 461,906</u>	<u>\$ 1,058,925</u>	<u>\$ 1,242,525</u>	<u>\$ 278,306</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, 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.

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

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. Tax Anticipation Warrants

Due to the continued delay in the distribution of property taxes, caused by the reassessment of Lake County, the Township issued and repaid tax anticipation warrants for \$250,000 in 2009. The Township Fund received \$100,000 and the Township Assistance Fund received \$150,000.

Note 8. Subsequent Event

Property tax rates and levies were not established by the Indiana Department of Local Government Finance as of February 15, 2009, as required by state statute, due to the continued delay caused by the reassessment of Lake County. Final distribution of the 2008 taxes payable 2009 was made January 20, 2010.

HOBART TOWNSHIP, LAKE COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2009

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 24
Buildings	731,097
Improvements other than buildings	15,718
Machinery and equipment	<u>164,794</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 911,633</u>

HOBART TOWNSHIP, LAKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 24, 2010, with Barbara S. Rosser, Trustee; and Michael Ellis, Chairman of the Township Board. Our examination disclosed no material items that warrant comment at this time.