

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT

OF

HARMONY TOWNSHIP

POSEY COUNTY, INDIANA

January 1, 2004 to December 31, 2005



FILED

7/28/06

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	James L. Alsop	01-01-03 to 12-31-06
Chairman of the Township Board	Charles W. Mann	01-01-04 to 12-31-04
	Ivan V. Alsop	01-01-05 to 12-31-05
	Daniel W. Creek	01-01-06 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF HARMONY TOWNSHIP, POSEY COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Harmony Township (Township), for the period of January 1, 2004 to December 31, 2005. The Township's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

June 20, 2006

HARMONY TOWNSHIP, POSEY 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, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 8,010	\$ 15,453	\$ 16,846	\$ 6,617
Dog	304	6	4	306
Township Assistance	18,148	16,863	16,390	18,621
Firefighting	22,056	28,058	34,314	15,800
Library	5,440	12,696	13,000	5,136
Fire Debt	519	-	-	519
Cumulative Fire	28,112	28,069	44,000	12,181
Fiduciary Fund:				
Payroll Withholdings	279	486	486	279
Totals	<u>\$ 82,868</u>	<u>\$ 101,631</u>	<u>\$ 125,040</u>	<u>\$ 59,459</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 6,617	\$ 14,709	\$ 16,519	\$ 4,807
Dog	306	149	6	449
Township Assistance	18,621	-	4,818	13,803
Firefighting	15,800	114,143	111,904	18,039
Library	5,136	7,664	8,231	4,569
Fire Debt	519	-	-	519
Cumulative Fire	12,181	27,151	39,000	332
Levy Excess	-	773	-	773
Fiduciary Fund:				
Payroll Withholdings	279	485	485	279
Totals	<u>\$ 59,459</u>	<u>\$ 165,074</u>	<u>\$ 180,963</u>	<u>\$ 43,570</u>

The accompanying notes are an integral part of the schedules.

HARMONY TOWNSHIP, POSEY COUNTY
NOTES TO SCHEDULES

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. 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.

Note 6. Long-Term Debt

The Township has entered into debt such as a loan for \$96,500. The outstanding principal at December 31, 2005, was \$90,273.

HARMONY TOWNSHIP, POSEY COUNTY
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The official bonds for the Township Trustee for 2004 and 2005 were not filed in the Office of the County Recorder.

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 . . ."

PRESCRIBED FORM

Prescribed Township Form 16, Township Trustee's Receipt, was not in use. A similar comment appeared in prior Examination Report B22738.

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)

HARMONY TOWNSHIP, POSEY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 20, 2006, with James L. Alsop, Trustee. The official concurred with our findings.