

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

EXAMINATION REPORT
OF
HENSLEY TOWNSHIP
JOHNSON COUNTY, INDIANA
January 1, 2002 to December 31, 2005



FILED
09/26/2006

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report	3
Schedules of Receipts, Disbursements, and Cash and Investment Balances.....	4
Notes to Schedules	5
Examination Result and Comment: Payroll Deductions.....	6
Exit Conference	7

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Ronald Joe Sighting	01-01-02 to 12-31-06
Chairman of the Township Board	Daryl Marker	01-01-02 to 12-31-02
	Gayle Wilkerson	01-01-03 to 12-31-03
	Daryl Marker	01-01-04 to 12-31-04
	Gayle Wilkerson	01-01-05 to 12-31-05
	Dennis Brownfield	01-01-06 to 12-31-06



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF HENSLEY TOWNSHIP, JOHNSON COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Hensley Township (Township), for the period of January 1, 2002 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, 2002, 2003, 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

July 24, 2006

HENSLEY TOWNSHIP, JOHNSON COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2002, 2003, 2004, And 2005

	Cash and Investments 01-01-02	Receipts	Disbursements	Cash and Investments 12-31-02
Governmental Funds:				
General	\$ 26,393	\$ 21,411	\$ 22,934	\$ 24,870
Dog	1,492	1,293	1,192	1,593
Township Assistance	28,727	24,885	23,844	29,768
Firefighting	17,734	-	-	17,734
Totals	<u>\$ 74,346</u>	<u>\$ 47,589</u>	<u>\$ 47,970</u>	<u>\$ 73,965</u>

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 24,870	\$ 42,039	\$ 42,759	\$ 24,150
Dog	1,593	1,226	1,293	1,526
Township Assistance	29,768	3,737	3,239	30,266
Firefighting	17,734	-	-	17,734
Totals	<u>\$ 73,965</u>	<u>\$ 47,002</u>	<u>\$ 47,291</u>	<u>\$ 73,676</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 24,150	\$ 17,720	\$ 20,147	\$ 21,723
Dog	1,526	1,025	1,226	1,325
Township Assistance	30,266	9,024	10,847	28,443
Firefighting	17,734	15,450	15,000	18,184
Rainy Day	-	371	-	371
Totals	<u>\$ 73,676</u>	<u>\$ 43,590</u>	<u>\$ 47,220</u>	<u>\$ 70,046</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 21,723	\$ 17,504	\$ 16,907	\$ 22,320
Dog	1,325	1,172	1,025	1,472
Township Assistance	28,443	18,734	18,929	28,248
Firefighting	18,184	18,450	18,000	18,634
Rainy Day	371	-	-	371
Totals	<u>\$ 70,046</u>	<u>\$ 55,860</u>	<u>\$ 54,861</u>	<u>\$ 71,046</u>

The accompanying notes are an integral part of the schedules.

HENSLEY TOWNSHIP, JOHNSON 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: 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.

HENSLEY TOWNSHIP, JOHNSON COUNTY
EXAMINATION RESULT AND COMMENT

PAYROLL DEDUCTIONS

Payments to employees were made without payroll deductions for taxes. Rather than withholding taxes and filing Form W-2 for employees, no taxes were withheld and Form 1099-MISC was filed. No Forms 1099-MISC for any employee was submitted for audit for the years 2002 and 2003. The Form 1099-MISC for the Township Assistance Clerk/Investigator was not submitted for audit for the year 2004. A similar comment appeared in the prior audit report.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

HENSLEY TOWNSHIP, JOHNSON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 24, 2006, with Ronald Joe Sighting, Trustee. The official concurred with our finding.