

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

EXAMINATION REPORT

OF

HARRIS TOWNSHIP

ST. JOSEPH COUNTY, INDIANA

January 1, 2003 to December 31, 2005



**FILED**

11/15/2006



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OFFICIALS

Office

Official

Term

Trustee

C. Sue Dylewski

01-01-03 to 12-31-06

Chairman of the  
Township Board

Dennis Sharp  
Jeff Broadwick

01-01-03 to 12-31-03  
01-01-04 to 12-31-06



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF HARRIS TOWNSHIP, ST. JOSEPH COUNTY, INDIANA

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

September 8, 2006

HARRIS TOWNSHIP, ST. JOSEPH COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2003, 2004 And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 337,350	\$ 183,464	\$ 117,291	\$ 403,523
Dog	2,363	2,137	2,325	2,175
Township Assistance	31,580	15,538	2,506	44,612
Firefighting	28,665	1,116,579	1,037,860	107,384
Park and Recreation	7,766	2,100	241	9,625
Cemetery	5,720	1,875	850	6,745
Levy Excess	8,705	-	8,705	-
Fire Debt	17,607	-	17,607	-
Fire Emergency Loan	21,186	264,334	233,702	51,818
Build Indiana Grant	122,526	-	3,579	118,947
Cumulative Fire	47,613	224,090	28,025	243,678
Fire Insurance	2,304	4,750	-	7,054
Pop Machines	345	1,641	1,666	320
Totals	<u>\$ 633,730</u>	<u>\$ 1,816,508</u>	<u>\$ 1,454,357</u>	<u>\$ 995,881</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 403,523	\$ 170,449	\$ 112,603	\$ 461,369
Dog	2,175	2,088	2,638	1,625
Township Assistance	44,612	11,954	5,997	50,569
Firefighting	107,384	765,747	1,064,283	(191,152)
Park and Recreation	9,625	4,195	10,372	3,448
Cemetery	6,745	2,400	750	8,395
Homeland Security Grant	-	20,232	-	20,232
Fire Emergency Loan	51,818	296,990	609,629	(260,821)
Build Indiana Grant	118,947	-	64,142	54,805
Cumulative Fire	243,678	128,529	183,852	188,355
Fire Insurance	7,054	3	7,057	-
Pop Machines	320	5,400	3,752	1,968
Totals	<u>\$ 995,881</u>	<u>\$ 1,407,987</u>	<u>\$ 2,065,075</u>	<u>\$ 338,793</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 461,369	\$ 223,369	\$ 323,623	\$ 361,115
Dog	1,625	1,834	1,399	2,060
Township Assistance	50,569	11,230	10,959	50,840
Firefighting	(191,152)	1,304,579	1,117,808	(4,381)
Park and Recreation	3,448	2,507	793	5,162
Levy Excess	-	10,073	-	10,073
Cemetery	8,395	400	300	8,495
Homeland Security Grant	20,232	-	20,232	-
Ambulance Billing	-	58,246	11,853	46,393
Fire Emergency Loan	(260,821)	709,084	451,665	(3,402)
Build Indiana Grant	54,805	-	50,731	4,074
Public Education Donations	-	745	245	500
Cumulative Fire	188,355	326,609	-	514,964
Pop Machines	1,968	4,386	3,753	2,601
Totals	<u>\$ 338,793</u>	<u>\$ 2,653,062</u>	<u>\$ 1,993,361</u>	<u>\$ 998,494</u>

The accompanying notes are an integral part of the schedules.

HARRIS TOWNSHIP, ST. JOSEPH 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.

HARRIS TOWNSHIP, ST. JOSEPH COUNTY  
NOTES TO SCHEDULES  
(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. Long-Term Debt

The Township has entered into a temporary loan for the firefighting fund. The outstanding principal at December 31, 2005, was \$449,126 and the loan will be repaid in 2006.

HARRIS TOWNSHIP, ST. JOSEPH COUNTY  
EXAMINATION RESULT AND COMMENT

CAPITAL ASSET RECORDS

Information presented for audit indicated that an inventory or record of capital assets was not completed.

Every governmental unit should have a complete inventory of all fixed assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable General Fixed Asset Account Group Form. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

HARRIS TOWNSHIP, ST. JOSEPH COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on September 15, 2006, with C. Sue Dylewski, Trustee.