

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

EXAMINATION REPORT
OF
HENRY TOWNSHIP
HENRY COUNTY, INDIANA
January 1, 2003 to December 31, 2005



FILED
12/06/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Nancy E. Wadman	01-01-03 to 12-31-06
Chairman of the Township Board	Melba J. McKnight	01-01-03 to 12-31-04
	Kenneth R. Custer, Jr.	01-01-05 to 12-31-05
	Melba J. McKnight	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 HENRY TOWNSHIP, HENRY COUNTY, INDIANA

We have examined the financial information presented herein of Henry Township (Township), for the period of January 1, 2003 to December 31, 2005. 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 present fairly, in all material respects, the financial information 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

October 19, 2006

HENRY TOWNSHIP, HENRY 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	\$ 157,081	\$ 10,651	\$ 117,168	\$ 50,564
Dog	677	505	398	784
Township Assistance	299,312	2,048	131,705	169,655
Firefighting	443,098	167,254	214,693	395,659
Park and Recreation	138,595	74,589	3,000	210,184
Levy Excess	-	646	-	646
Fire Equipment Debt	5,283	-	-	5,283
Totals	<u>\$ 1,044,046</u>	<u>\$ 255,693</u>	<u>\$ 466,964</u>	<u>\$ 832,775</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 50,564	\$ 148,823	\$ 114,836	\$ 84,551
Dog	784	356	488	652
Township Assistance	169,655	224,568	152,133	242,090
Firefighting	395,659	701,223	205,463	891,419
Park and Recreation	210,184	55,504	20,564	245,124
Levy Excess	646	-	646	-
Fire Equipment Debt	5,283	-	-	5,283
Totals	<u>\$ 832,775</u>	<u>\$ 1,130,474</u>	<u>\$ 494,130</u>	<u>\$ 1,469,119</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 84,551	\$ 221,508	\$ 117,904	\$ 188,155
Dog	652	348	366	634
Township Assistance	242,090	98,638	137,829	202,899
Firefighting	891,419	312,039	210,163	993,295
Park and Recreation	245,124	53,602	98,948	199,778
Levy Excess	-	6,241	-	6,241
Fire Equipment Debt	5,283	-	-	5,283
Totals	<u>\$ 1,469,119</u>	<u>\$ 692,376</u>	<u>\$ 565,210</u>	<u>\$ 1,596,285</u>

The accompanying notes are an integral part of the schedules.

HENRY TOWNSHIP, HENRY 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.

HENRY TOWNSHIP, HENRY 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. Long-Term Debt

The Township has entered into a capital lease for a building. The outstanding principal at December 31, 2005, was \$337,298.

Note 8. Escrow Account

As a part of the Township's lease/purchase agreement, \$390,000 was borrowed on the building that cost \$159,000. The unused difference is in an interest earning escrow account that was established to help pay for any needed improvements to the building. The balances of this account at December 31, 2004 and December 31, 2005, were \$239,750 and \$245,830, respectively.

HENRY TOWNSHIP, HENRY COUNTY
EXAMINATION RESULT AND COMMENT

CAPITAL ASSET RECORDS

Information presented for examination did not indicate an inventory or record of capital assets using the Capital Asset Ledger Form 369.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. 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)

HENRY TOWNSHIP, HENRY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 19, 2006, with Nancy E. Wadman, Trustee.
The official concurred with our finding.