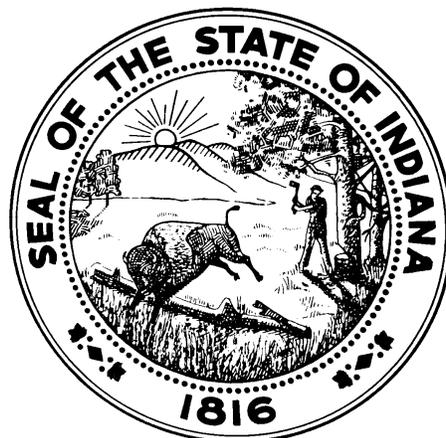


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
HARRISON TOWNSHIP
DEARBORN COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
01/22/2009

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Thomas A. Cottingham, II	01-01-03 to 12-31-10
Chairman of the Township Board	Brandon M. Burress Jack R. Ernst	01-01-06 to 12-31-06 01-01-07 to 12-31-08



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF HARRISON TOWNSHIP, DEARBORN COUNTY, INDIANA

We have examined the financial information presented herein of Harrison Township (Township), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

December 4, 2008

HARRISON TOWNSHIP, DEARBORN COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 17,664	\$ 39,885	\$ 23,482	\$ 34,067
Dog	1,128	752	830	1,050
Township Assistance	7,206	1,489	2,633	6,062
Firefighting	13,603	65,761	53,000	26,364
Cemetery	434	-	-	434
Rainy Day	4,711	-	-	4,711
Totals	<u>\$ 44,746</u>	<u>\$ 107,887</u>	<u>\$ 79,945</u>	<u>\$ 72,688</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 34,067	\$ 17,581	\$ 25,174	\$ 26,474
Dog	1,050	-	1,050	-
Township Assistance	6,062	496	2,278	4,280
Firefighting	26,364	24,534	50,206	692
Cemetery	434	-	-	434
Rainy Day	4,711	-	4,000	711
Totals	<u>\$ 72,688</u>	<u>\$ 42,611</u>	<u>\$ 82,708</u>	<u>\$ 32,591</u>

The accompanying notes are an integral part of the financial information.

HARRISON TOWNSHIP, DEARBORN 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, 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.

HARRISON TOWNSHIP, DEARBORN COUNTY
EXAMINATION RESULTS AND COMMENTS

RECORDING OF DEPOSITS

Deposits on January 10, 2007, totaling \$1,333.37 were not recorded as receipts on the Financial and Appropriation Record (Form 1C) in the "All Funds" column or to an individual Township fund. The cash balance as of January 1, 2007, for the "Total All Funds" column and for the individual funds were changed to reflect the deposits. By changing the beginning cash balance rather than recording the deposits as receipts resulted in these receipts not being reported on the Annual Report and caused the cash balances at December 31, 2007, reported on the Annual Report for the year 2007 not to be in agreement with the balances reported on the Financial and Appropriation Record.

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)

CEMETERY CONTRACT

A payment of \$3,100 was made to an individual for cemetery mowing on December 22, 2006. No contract was presented for examination for the cemetery mowing.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

TOWNSHIP ASSISTANCE PROCEDURES

The following deficiencies were identified in our examination of Township assistance payments:

1. No evidence of investigations was documented on the Application for Township Assistance (Form TA-1) for 100% of the applicants examined. Investigations are required to determine if an applicant is qualified to receive township assistance.

Indiana Code 12-20-6-9 states in part:

"If an application for township assistance is made to the township trustee . . . the township trustee . . . shall carefully investigate the circumstances of the applicant and each member of the applicant's household . . ."

2. The vendor's/claimant's signature was not included on 100% of the Township Assistance Purchase Order (Form TA-2) examined.

Indiana Code 5-11-10-1(b) states:

"No warrant or check shall be drawn by a disbursing officer in payment of any claim unless the same has been fully itemized and its correctness properly certified to by the claimant or some authorized person in the claimant's behalf, and filed and allowed as provided by law.

3. We identified two instances of township assistance recipients did not sign the prescribed Township Assistance Purchase Order (Form TA-2) documenting that they had received the township assistance.

HARRISON TOWNSHIP, DEARBORN COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

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)

HEALTH INSURANCE PREMIUM REIMBURSEMENT

Thomas A. Cottingham II, Trustee, was reimbursed \$2,148 in 2006 and \$1,076.80 in 2007 for health insurance premiums he paid on a personal policy he had obtained.

Indiana Code 5-10-8-2.6(b) states in part:

"A public employer may provide programs of group insurance for its employees and retired employees. . . . A public employer may provide programs of group health insurance under this section through one (1) of the following methods:

- (1) By purchasing policies of group insurance.
- (2) By establishing self-insurance programs.
- (3) By electing to participate in the local unit group of local units that offer the state employee health plan under section 6.6 of this chapter.

A public employer may provide programs of group insurance other than group health insurance under this section by purchasing policies of group insurance . . ."

The payment of insurance premiums on personal policies of officers and employees rather than on a group insurance policy purchased by the Township could be considered a personal expense.

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

BOARD APPROVAL OF EMPLOYEE BENEFITS

The Township Board approved appropriations for the payment of employee benefits. (See Examination Result and Comment titled "Health Insurance Premium Reimbursement.") However, no resolution was presented for our examination showing the employee benefits were approved by the Township Board.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 17)

A similar comment was reported in the prior Report B29630.

HARRISON TOWNSHIP, DEARBORN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 4, 2008, with Thomas A. Cottingham II, Trustee. The official concurred with our findings.