

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

EXAMINATION REPORT
OF
HARMONY TOWNSHIP
UNION COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
01/26/2009

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OFFICIALS

Office

Official

Term

Trustee

Joan Kuhlenbeck

01-01-03 to 12-31-10

Chairman of the
Township Board

Kathleen Klein

01-01-06 to 12-31-08



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Harmony 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 29, 2008

HARMONY TOWNSHIP, UNION 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, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 11,872	\$ 11,525	\$ 15,008	\$ 8,389
Dog	326	-	12	314
Township Assistance	14,207	685	309	14,583
Firefighting	48,155	13,399	11,703	49,851
Levy Excess	2,273	2,828	-	5,101
Rainy Day	659	-	-	659
Fiduciary Fund:				
Payroll Withholdings	-	666	-	666
Totals	<u>\$ 77,492</u>	<u>\$ 29,103</u>	<u>\$ 27,032</u>	<u>\$ 79,563</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 8,389	\$ 16,198	\$ 13,620	\$ 10,967
Dog	314	-	314	-
Township Assistance	14,583	-	-	14,583
Firefighting	49,851	11,547	11,250	50,148
Levy Excess	5,101	-	5,101	-
Rainy Day	659	41	-	700
Fiduciary Fund:				
Payroll Withholdings	666	666	689	643
Totals	<u>\$ 79,563</u>	<u>\$ 28,452</u>	<u>\$ 30,974</u>	<u>\$ 77,041</u>

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

HARMONY TOWNSHIP, UNION 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. 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.

HARMONY TOWNSHIP, UNION COUNTY
EXAMINATION RESULTS AND COMMENTS

DEPOSIT OF PUBLIC FUNDS

We noted instances where the Trustee did not deposit receipts in a timely manner. Local tax distributions received throughout 2007 were not deposited until February and June of 2008. A similar comment appeared in the prior report.

Indiana Code 5-13-6-1(c) states in part: "The public funds collected by township trustees shall be deposited in the designated depository on or before the first and fifteenth day of each month."

REPAYMENT OF RENT

The Trustee overpaid herself rent in 2006 by \$500. When this was brought to the attention of the Trustee, she deposited \$500 into the Township's checking account on December 29, 2008.

Payments which are not authorized by statute, ordinance, resolution, or court order must be reimbursed to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PENALTIES, INTEREST, AND OTHER CHARGES

Penalties and interest totaling \$408.89 were paid to the Internal Revenue Service on December 26, 2006, for the year 2005.

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)

HARMONY TOWNSHIP, UNION COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 29, 2008, with Joan Kuhlenbeck, Trustee. The official concurred with our findings.