

B36663

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

EXAMINATION REPORT
OF
HENRY TOWNSHIP
HENRY COUNTY, INDIANA
January 1, 2007 to December 31, 2009



FILED
04/30/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Nancy E. Wadman	01-01-07 to 12-31-10
Chairman of the Township Board	Melba J. McKnight	01-01-07 to 12-31-07
	David Tyner	01-01-08 to 12-31-08
	Melba J. McKnight	01-01-09 to 12-31-10



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, 2007 to December 31, 2009. 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, 2007, 2008, and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

April 7, 2010

HENRY TOWNSHIP, HENRY 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, 2007, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 253,401	\$ 124,007	\$ 126,099	\$ 251,309
Township Assistance	219,718	122,025	135,018	206,725
Firefighting	1,095,319	329,008	299,421	1,124,906
Park and Recreation	167,778	166,016	78,940	254,854
Fire Equipment Debt	5,283	-	-	5,283
Fiduciary Fund:				
Payroll Withholdings	884	53,860	53,664	1,080
Totals	<u>\$ 1,742,383</u>	<u>\$ 794,916</u>	<u>\$ 693,142</u>	<u>\$ 1,844,157</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 251,309	\$ 88,547	\$ 127,673	\$ 212,183
Township Assistance	206,725	139,301	152,172	193,854
Firefighting	1,124,906	334,429	272,626	1,186,709
Park and Recreation	254,854	172,589	130,200	297,243
Fire Equipment Debt	5,283	-	-	5,283
Fiduciary Fund:				
Payroll Withholdings	1,080	58,031	58,000	1,111
Totals	<u>\$ 1,844,157</u>	<u>\$ 792,897</u>	<u>\$ 740,671</u>	<u>\$ 1,896,383</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 212,183	\$ 198,521	\$ 143,606	\$ 267,098
Township Assistance	193,854	117	149,536	44,435
Firefighting	1,186,709	348,258	271,305	1,263,662
Park and Recreation	297,243	178,068	183,427	291,884
Community Center Fund	-	1,250	345	905
Fire Equipment Debt	5,283	-	-	5,283
Fiduciary Fund:				
Payroll Withholdings	1,111	46,707	46,692	1,126
Totals	<u>\$ 1,896,383</u>	<u>\$ 772,921</u>	<u>\$ 794,911</u>	<u>\$ 1,874,393</u>

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

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, cemetery, 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.

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.

HENRY TOWNSHIP, HENRY COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Township community center	\$ 109,945	\$ 76,940

HENRY TOWNSHIP, HENRY COUNTY
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The Trustee's official bond for the period January 1, 2007 to January 1, 2011, is in the amount of \$15,000.

Effective July 1, 2009, IC 5-4-1-18 states in part:

"(c) Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of . . . township trustees . . . as follows:

- (1) The amount of annual coverage must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount of annual coverage may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount of annual coverage for the officer or employee. . . ."

The State Board of Accounts is of the audit position continuation certificates or renewals should not be used in lieu of obtaining the required annual bond coverage. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

DISBURSEMENT DOCUMENTATION

Several payments were observed which did not contain adequate supporting documentation such as receipts, and invoices.

Due to the lack of supporting information, the validity and accountability for some monies disbursed could not be established.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

HENRY TOWNSHIP, HENRY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 7, 2010, with Nancy E. Wadman, Trustee. The official concurred with our findings.