

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

EXAMINATION REPORT
OF
HENRY TOWNSHIP
FULTON COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
05/19/2010

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OFFICIALS

Office

Official

Term

Trustee

Becky Gearhart

01-01-07 to 12-31-10

Chairman of the
Township Board

Joe Day
Tim Fleck

01-01-08 to 12-31-09
01-01-10 to 12-31-10



STATE OF INDIANA
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STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF HENRY TOWNSHIP, FULTON COUNTY, INDIANA

We have examined the financial information presented herein of Henry Township (Township), for the period of January 1, 2008 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, 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 Capital Assets as listed in the Table of Contents, are presented for additional analysis and are not a required part of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

January 13, 2010

HENRY TOWNSHIP, FULTON 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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 37,501	\$ 25,568	\$ 31,029	\$ 32,040
Dog	413	-	-	413
Township Assistance	23,594		3,483	20,111
Firefighting	(5,027)	98,569	38,767	54,775
Community Host Fee	24,386	1,000	6,000	19,386
Fiduciary Fund:				
Payroll Withholdings	-	1,965	517	1,448
Totals	<u>\$ 80,867</u>	<u>\$ 127,102</u>	<u>\$ 79,796</u>	<u>\$ 128,173</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 32,040	\$ 40,216	\$ 20,057	\$ 52,199
Dog	413	-	-	413
Township Assistance	20,111	-	5,116	14,995
Firefighting	54,775	86,121	67,630	73,266
Community Host Fee	19,386	1,560	-	20,946
Fiduciary Fund:				
Payroll Withholdings	1,448	1,641	3,443	(354)
Totals	<u>\$ 128,173</u>	<u>\$ 129,538</u>	<u>\$ 96,246</u>	<u>\$ 161,465</u>

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

HENRY TOWNSHIP, FULTON 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, FULTON COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
For The Year Ended December 31, 2009

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Machinery and equipment	<u>\$ 286,502</u>
Total governmental activities, capital assets not being depreciated	<u><u>\$ 286,502</u></u>

HENRY TOWNSHIP, FULTON COUNTY
EXAMINATION RESULTS AND COMMENTS

PENALTIES, INTEREST, AND OTHER CHARGES

Penalties and interest totaling \$958.41 were paid to the Internal Revenue Service on January 15, 2008, for the period ending December 31, 2004, as well as an electronic processing fee of \$75 to Wells Fargo Bank. Penalties and interest of \$2.56 were paid to the Indiana Department of Revenue on March 18, 2008, for the periods ending April 30, 2007 and May 31, 2007. Additionally, penalties and interest of \$60.92 were paid to the Internal Revenue Service on September 16, 2009, for the period ending March 31, 2009. Total penalties, interest and other charges paid totaled \$1,096.89. Penalties and interest related to payroll withholdings have been paid in the previous three Reports B28365, B30099, and B31860.

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)

We requested Becky Gearhart, Trustee, reimburse the Township \$1,096.89 for these payments.

OFFICIAL BOND

The following official bonds were not filed in the Office of the County Recorder:

Becky Gearhart, Trustee, for the period May 1, 2008 to May 1, 2009

IC 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder . . ."

HENRY TOWNSHIP, FULTON COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

ADVANCE PAYROLL PAYMENTS

The Township Clerk was paid quarterly in both 2008 and 2009. She was paid three months in advance once in 2008 and one month in advance twice in 2009. Advance payments were noted in the previous three Reports B28365, B30099, and B31860.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OVERDRAWN FUND BALANCES

The Payroll Withholding Fund was overdrawn in 2009.

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

HENRY TOWNSHIP, FULTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on January 13, 2010, with Becky Gearhart, Trustee; and Tim Fleck, Chairman of the Township Board. The officials concurred with our findings.

HENRY TOWNSHIP, FULTON COUNTY
SUMMARY

	Charges	Credits	Balance Due
Becky Gearhart, Trustee:			
Penalties, Interest, and Other Charges, page 7	\$ 1,096.89	\$ -	\$ 1,096.89
Totals	\$ 1,096.89	\$ -	\$ 1,096.89

AFFIDAVIT

STATE OF INDIANA)
Fulton COUNTY)

I, Susan Desch, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records of the Henry Township Trustee, Fulton County, Indiana, for the period from January 1, 2008 to December 31, 2009, is true and correct to the best of my knowledge and belief.

Susan Desch
Field Examiner

Subscribed and sworn to before me this 5th day of April, 2010.

Jennifer A. Utter
Notary Public

My Commission Expires: 11-16-2014