

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

HARRISON TOWNSHIP

BARTHOLOMEW COUNTY, INDIANA

January 1, 2010 to December 31, 2011



**FILED**  
07/19/2013



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	David Dwyer	01-01-07 to 12-31-14
Chairman of the Township Board	Sharon Voelz	01-01-10 to 12-31-10
	Dana Parks	01-01-11 to 12-31-11
	Sharon Voelz	01-01-12 to 12-31-12
	Dana Parks	01-01-13 to 12-31-13



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the accompanying financial statements of Harrison Township (Township), for the period of January 1, 2010 to December 31, 2011. The financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on the financial statements 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 statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Township for the period of January 1, 2010 to December 31, 2011.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Township for the period of January 1, 2010 to December 31, 2011, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Township's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

Bruce Hartman  
State Examiner

June 28, 2013

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## FINANCIAL STATEMENTS

The financial statements and accompanying notes were approved by management of the Township.  
The financial statements and notes are presented as intended by the Township.

HARRISON TOWNSHIP, BARTHOLOMEW COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2010

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Township	\$ 102,054	\$ 57,735	\$ 48,267	\$ 111,522
Township Assistance	83,342	15,710	17,711	81,341
Fire Fighting	86,274	167,395	148,679	104,990
Cumulative Fire	82,221	27,743	40,906	69,058
Levy Excess	-	751	751	-
Rainy Day	2,149	5,744	-	7,893
Emergency Fire Loan	26,514	127,876	129,743	24,647
Payroll Deductions	-	30,717	30,721	(4)
Totals	<u>\$ 382,554</u>	<u>\$ 433,671</u>	<u>\$ 416,778</u>	<u>\$ 399,447</u>

The notes to the financial statements are an integral part of this statement.

HARRISON TOWNSHIP, BARTHOLOMEW COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
Township	\$ 111,522	\$ 27,578	\$ 47,727	\$ 91,373
Township Assistance	81,341	48,131	14,162	115,310
Fire Fighting	104,990	84,677	169,425	20,242
Rainy Day	7,893	-	-	7,893
Cumulative Fire	69,058	88,255	8,034	149,279
Emergency Fire Loan	24,647	65,437	86,244	3,840
Payroll Deductions	(4)	39,574	39,570	-
Totals	<u>\$ 399,447</u>	<u>\$ 353,652</u>	<u>\$ 365,162</u>	<u>\$ 387,937</u>

The notes to the financial statements are an integral part of this statement.

HARRISON TOWNSHIP, BARTHOLOMEW COUNTY  
NOTES TO FINANCIAL STATEMENTS

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

The Township was established under the laws of the State of Indiana. The Township operates under a township trustee/township board form of government and provides some or all of the following services: public safety (fire), health and social services (township assistance), culture and recreation (parks and/or community centers), and general administrative services (weed and dog control).

The accompanying financial statements present the financial information for the Township.

*B. Basis of Accounting*

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

*C. Cash and Investments*

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Township.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

HARRISON TOWNSHIP, BARTHOLOMEW COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the Township. It includes all expenditures for the reduction of the principal and interest of the Township's general obligation indebtedness.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

*F. Interfund Transfers*

The Township may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the Township. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Township. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Township in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

HARRISON TOWNSHIP, BARTHOLOMEW COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Township submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Township in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

**Note 4. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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 statutes authorize 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.

**Note 5. Risk Management**

The Township may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Township to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

HARRISON TOWNSHIP, BARTHOLOMEW COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

**Note 6. Cash Balance Deficits**

The December 31, 2010 financial statement contains one fund with a deficit in cash. The Payroll Deductions Fund, which usually zeroes out at the end of each year, had a \$4 deficit balance as a result of the change in Social Security withholding rate. While not knowing about the reduced withholding rate, Social Security was still withheld and paid at the old rate resulting in a deficit balance. This was later corrected and the fund zeroed out properly in 2011.

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## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Township's Annual Reports for years prior to 2011 can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/).

For additional financial information, the Township's Annual Report information for years 2011 and later can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the Township which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the Township. It is presented as intended by the Township.

HARRISON TOWNSHIP, BARTHOLOMEW COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010

	Township	Township Assistance	Fire Fighting	Cumulative Fire	Levy Excess	Rainy Day	Emergency Fire Loan	Payroll Deductions	Totals
Cash and investments - beginning	\$ 102,054	\$ 83,342	\$ 86,274	\$ 82,221	\$ -	\$ 2,149	\$ 26,514	\$ -	\$ 382,554
Receipts:									
Taxes	54,126	15,710	65,663	25,441	751	5,744	127,876	-	295,311
Other receipts	3,609	-	101,732	2,302	-	-	-	30,717	138,360
Total receipts	57,735	15,710	167,395	27,743	751	5,744	127,876	30,717	433,671
Disbursements:									
Personal services	25,403	-	95,245	-	-	-	-	-	120,648
Supplies	1,944	-	-	-	-	-	-	-	1,944
Other services and charges	20,242	676	53,434	-	-	-	129,743	-	204,095
Capital outlay	678	-	-	40,906	-	-	-	-	41,584
Other disbursements	-	17,035	-	-	751	-	-	30,721	48,507
Total disbursements	48,267	17,711	148,679	40,906	751	-	129,743	30,721	416,778
Excess (deficiency) of receipts over disbursements	9,468	(2,001)	18,716	(13,163)	-	5,744	(1,867)	(4)	16,893
Cash and investments - ending	\$ 111,522	\$ 81,341	\$ 104,990	\$ 69,058	\$ -	\$ 7,893	\$ 24,647	\$ (4)	\$ 399,447

HARRISON TOWNSHIP, BARTHOLOMEW COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011

	Township	Township Assistance	Fire Fighting	Rainy Day	Cumulative Fire	Emergency Fire Loan	Payroll Deductions	Totals
Cash and investments - beginning	\$ 111,522	\$ 81,341	\$ 104,990	\$ 7,893	\$ 69,058	\$ 24,647	\$ (4)	\$ 399,447
Receipts:								
Taxes	26,082	44,159	34,848	-	76,766	60,096	-	241,951
Intergovernmental	1,463	3,972	48,927	-	6,310	5,341	-	66,013
Other receipts	33	-	902	-	5,179	-	39,574	45,688
Total receipts	<u>27,578</u>	<u>48,131</u>	<u>84,677</u>	<u>-</u>	<u>88,255</u>	<u>65,437</u>	<u>39,574</u>	<u>353,652</u>
Disbursements:								
Personal services	25,998	-	104,403	-	-	-	-	130,401
Supplies	647	385	-	-	-	-	-	1,032
Other services and charges	15,384	13,777	65,022	-	-	-	-	94,183
Debt service - principal and interest	-	-	-	-	-	86,244	-	86,244
Capital outlay	5,698	-	-	-	8,034	-	-	13,732
Other disbursements	-	-	-	-	-	-	39,570	39,570
Total disbursements	<u>47,727</u>	<u>14,162</u>	<u>169,425</u>	<u>-</u>	<u>8,034</u>	<u>86,244</u>	<u>39,570</u>	<u>365,162</u>
Excess (deficiency) of receipts over disbursements	<u>(20,149)</u>	<u>33,969</u>	<u>(84,748)</u>	<u>-</u>	<u>80,221</u>	<u>(20,807)</u>	<u>4</u>	<u>(11,510)</u>
Cash and investments - ending	<u>\$ 91,373</u>	<u>\$ 115,310</u>	<u>\$ 20,242</u>	<u>\$ 7,893</u>	<u>\$ 149,279</u>	<u>\$ 3,840</u>	<u>\$ -</u>	<u>\$ 387,937</u>

HARRISON TOWNSHIP, BARTHOLOMEW COUNTY  
 SCHEDULE OF LEASES AND DEBT  
 December 31, 2011

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Fire Fighter Salaries	\$ 100,000	\$ 107,893
Totals		<u>\$ 100,000</u>	<u>\$ 107,893</u>

HARRISON TOWNSHIP, BARTHOLOMEW COUNTY  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2011

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>Ending Balance</u>
Governmental activities:	
Machinery, equipment, and vehicles	\$ <u>500</u>
Total capital assets	\$ <u><u>500</u></u>

HARRISON TOWNSHIP, BARTHOLOMEW COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on June 28, 2013, with David Dwyer, Trustee, and Sharon Voelz, Secretary of the Township Board. Our examination disclosed no material items that warrant comment at this time.