

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

EXAMINATION REPORT  
OF  
HONEY CREEK TOWNSHIP  
WHITE COUNTY, INDIANA  
January 1, 2004 to December 31, 2005



**FILED**  
11/06/2006



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Thomas Westfall	01-01-03 to 12-31-06
Chairman of the Township Board	Robert Dolick	01-01-04 to 12-31-04
	Stephen Sublette	01-01-05 to 12-31-05
	Ralph Zarse	01-01-06 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF HONEY CREEK TOWNSHIP, WHITE COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Honey Creek Township (Township), for the period of January 1, 2004 to December 31, 2005. The Township's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

September 20, 2006

HONEY CREEK TOWNSHIP, WHITE COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 56,868	\$ 19,359	\$ 21,083	\$ 55,144
Dog	402	94	103	393
Township Assistance	40,008	10,931	2,777	48,162
Firefighting	178,138	47,299	28,881	196,556
Park and Recreation	29,538	7,885	2,193	35,230
Cumulative Fire	91,251	34,003	30,493	94,761
Rainy Day	-	7,534	-	7,534
Totals	<u>\$ 396,205</u>	<u>\$ 127,105</u>	<u>\$ 85,530</u>	<u>\$ 437,780</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 55,144	\$ 20,790	\$ 15,644	\$ 60,290
Dog	393	108	93	408
Township Assistance	48,162	3,473	3,912	47,723
Firefighting	196,556	35,560	25,939	206,177
Park and Recreation	35,230	3,388	1,576	37,042
Cumulative Fire	94,761	21,167	29,979	85,949
Rainy Day	7,534	-	-	7,534
Totals	<u>\$ 437,780</u>	<u>\$ 84,486</u>	<u>\$ 77,143</u>	<u>\$ 445,123</u>

The accompanying notes are an integral part of the schedules.

HONEY CREEK TOWNSHIP, WHITE COUNTY  
NOTES TO SCHEDULES

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. 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.

HONEY CREEK TOWNSHIP, WHITE COUNTY  
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
Cumulative Fire Fund	2004	\$ 10,492
Cumulative Fire Fund	2005	9,979

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

PENALTIES AND INTEREST

Penalties and interest totaling \$24.63 were paid to the Internal Revenue Service on March 15, 2004, for the period July through September 2003.

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)

HONEY CREEK TOWNSHIP, WHITE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on September 20, 2006, with Thomas Westfall, Trustee.  
The official concurred with our findings.