

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

EXAMINATION REPORT  
OF  
HONEY CREEK TOWNSHIP  
HOWARD COUNTY, INDIANA  
January 1, 2008 to December 31, 2009



**FILED**  
04/27/2010



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OFFICIALS

Office

Official

Term

Trustee

David B. Britton

01-01-07 to 12-31-10

Chairman of the  
Township Board

Jack Talbert

01-01-07 to 12-31-10



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Honey Creek 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.

STATE BOARD OF ACCOUNTS

April 7, 2010

HONEY CREEK TOWNSHIP, HOWARD COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL 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	\$ 68,705	\$ 6,834	\$ 11,703	\$ 63,836
Township Assistance	48,498	17,077	8,474	57,101
Firefighting	32,052	24,852	20,810	36,094
Levy Excess	12,311	-	-	12,311
Fire Debt	9,509	20,916	20,156	10,269
Rainy Day	684	-	-	684
Cumulative Fire	29,205	10,618	-	39,823
Totals	<u>\$ 200,964</u>	<u>\$ 80,297</u>	<u>\$ 61,143</u>	<u>\$ 220,118</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 63,836	\$ 11,525	\$ 15,335	\$ 60,026
Township Assistance	57,101	11,834	16,294	52,641
Firefighting	36,094	25,855	22,940	39,009
Levy Excess	12,311	-	-	12,311
Fire Debt	10,269	11,157	20,165	1,261
Rainy Day	684	-	-	684
Cumulative Fire	39,823	8,387	-	48,210
Totals	<u>\$ 220,118</u>	<u>\$ 68,758</u>	<u>\$ 74,734</u>	<u>\$ 214,142</u>

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

HONEY CREEK TOWNSHIP, HOWARD 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.

HONEY CREEK TOWNSHIP, HOWARD COUNTY  
EXAMINATION RESULTS AND COMMENTS

PENALTIES, INTEREST, AND OTHER CHARGES

Penalties and interest totaling \$56.14 were paid to the Internal Revenue Service for the calendar years 2008 and 2009.

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)

APPROPRIATIONS

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

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
General	2009	\$ 156
Fire Debt	2009	20,165

IC 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."

INTEREST ON INVESTMENTS

Interest earned on investments was automatically added to the principal of the investment and did not get recorded in the records.

Interest on investments should not be automatically added into the investment. Instead, interest on investments should be paid to the governmental unit at each maturity date and posted to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

HONEY CREEK TOWNSHIP, HOWARD COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on April 8, 2010, with David B. Britton, Trustee.