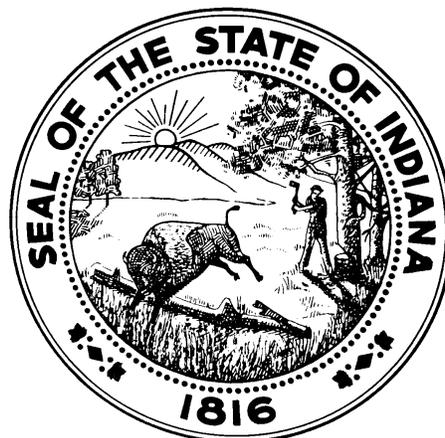


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
TOWN OF HOMECROFT  
MARION COUNTY, INDIANA  
January 1, 2006 to December 31, 2007



**FILED**  
04/08/2009



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances .....	4
Notes to Financial Information .....	5
Supplementary Information:	
Schedule of Long-Term Debt .....	6
Examination Results and Comments:	
Bank Account Reconciliations .....	7
Appropriations.....	7
Supporting Documentation .....	7
Approval of Forms .....	8
Approval of Claims .....	8
Law Enforcement Expenditures.....	8
Exit Conference.....	9

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Thomas J. Koppell, Jr. Shari Eickhoff	01-01-06 to 08-10-08 08-11-08 to 12-31-11
President of the Town Council	Barbara K. Jones	01-01-06 to 12-31-09



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF HOMECROFT, MARION COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Homecroft (Town), for the period of January 1, 2006 to December 31, 2007. The Town'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 Town for the years ended December 31, 2006 and 2007, 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

March 3, 2009

TOWN OF HOMECROFT  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 58,754	\$ 115,266	\$ 122,104	\$ 51,916
Motor Vehicle Highway	76,467	29,241	31,521	74,187
Local Road and Street	29,353	11,315	18,600	22,068
Law Enforcement Continuing Education	2,827	2,930	5,067	690
State Forfeiture	435	-	-	435
In Criminal Justice Grant	259	-	-	259
Fiduciary Fund:				
Payroll	1,055	4,219	5,274	-
Totals	<u>\$ 169,150</u>	<u>\$ 162,971</u>	<u>\$ 182,566</u>	<u>\$ 149,555</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 51,916	\$ 101,581	\$ 135,293	\$ 18,204
Motor Vehicle Highway	74,187	28,297	30,462	72,022
Local Road and Street	22,068	11,257	13,904	19,421
Law Enforcement Continuing Education	690	4,665	3,194	2,161
State Forfeiture	435	-	-	435
In Criminal Justice Grant	259	-	1,531	(1,272)
Fiduciary Fund:				
Payroll	-	4,343	3,253	1,090
Totals	<u>\$ 149,555</u>	<u>\$ 150,143</u>	<u>\$ 187,637</u>	<u>\$ 112,061</u>

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

TOWN OF HOMECROFT  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Town 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 or highway use taxes are received 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 Town 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).

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 Town 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.

TOWN OF HOMECROFT  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2007

The Town has entered into the following lease:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
2008 Crown Victoria Police Car	\$ 22,274	\$ 15,090

TOWN OF HOMECROFT  
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank balances were not presented for examination or were incorrect. The reconciliation detail presented for examination for January 2006 to December 2007, were printed on November 22, 2008, and included checks issued through November 18, 2008. The unit prepared reconciliation for December 2006 did not include six outstanding checks observed with a check date of December 30, 2006.

Our computed reconciliations indicated a cash long at December 31, 2006 and December 31, 2007, in the amount of \$379.73. The amount is the same amount disclosed in the prior Report B29158.

IC 5-13-6-1(e) states in part:

"All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

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	2007	<u>\$ 9,984</u>

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."

SUPPORTING DOCUMENTATION

In September 2007, a disbursement was made to the New Orleans Marriott Convention Center for \$1,304. No supporting documentation was observed with the claim.

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 Cities and Towns, Chapter 7)

TOWN OF HOMECROFT  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

APPROVAL OF FORMS

The Town is using computer generated forms which have not been approved for use in lieu of prescribed forms.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

APPROVAL OF CLAIMS

No evidence of certification of the claims by the Clerk-Treasurer was observed on the claims.

IC 5-11-10-2(a) states:

"Claims against a political subdivision of the state must be approved by the officer or person receiving the goods or services, be audited for correctness and approved by the disbursing officer of the political subdivision, and, where applicable, be allowed by the governing body having jurisdiction over allowance of such claims before they are paid. If the claim is against a governmental entity (as defined in section 1.6 of this chapter), the claim must be certified by the fiscal officer."

LAW ENFORCEMENT EXPENDITURES

Law enforcement expenditures from the Motor Vehicle Highway Fund exceeded the 15% allowed in 2006 and 2007.

IC 8-14-1-5 reads in part:

"(b) In addition to purposes for which funds may be expended under subsections (a) and (c) of this section, monies allocated to cities and towns under this chapter may be expended for law enforcement purposes, subject to the following limitations:

- (1) For cities and towns with a population of less than five thousand (5,000), no more than fifteen percent (15%) may be spent for law enforcement purposes."

TOWN OF HOMECROFT  
EXIT CONFERENCE

The contents of this report were discussed on March 3, 2009, with Shari Eickhoff, Clerk-Treasurer; Hank Bosworth, Chief of Police; and Rex M. Joseph, JR., Town Attorney.

The contents of this report were discussed on March 3, 2009, with Thomas J. Koppell, Jr., former Clerk-Treasurer.