

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

EXAMINATION REPORT
OF
EEL RIVER TOWNSHIP
HENDRICKS COUNTY, INDIANA
January 1, 2007 to December 31, 2009



FILED
04/26/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Joyce Greene	01-01-07 to 12-31-10
Chairman of the Township Board	Steven Miller	01-01-07 to 12-31-07
	Mike Scheagel	01-01-08 to 12-31-08
	Claire Thompson	01-01-09 to 12-31-09
	Steven Miller	01-01-10 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF EEL RIVER TOWNSHIP, HENDRICKS COUNTY, INDIANA

We have examined the financial information presented herein of Eel River Township (Township), for the period of January 1, 2007 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, 2007, 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

March 24, 2010

EEL RIVER TOWNSHIP, HENDRICKS 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, 2007, 2008 And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 59,888	\$ 44,017	\$ 50,591	\$ 53,314
Township Assistance	33,750	17,408	13,547	37,611
Firefighting	62,416	58,251	80,325	40,342
Levy Excess	1,520	-	-	1,520
Fire Debt	-	2,147	1,312	835
Cumulative Fire	53,012	3,783	17,320	39,475
Dog	-	1,187	-	1,187
Rainy Day	-	1,943	-	1,943
Fiduciary Fund:				
Payroll Withholdings	427	3,834	5,063	(802)
Totals	<u>\$ 211,013</u>	<u>\$ 132,570</u>	<u>\$ 168,158</u>	<u>\$ 175,425</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 53,314	\$ 46,449	\$ 51,376	\$ 48,387
Township Assistance	37,611	12,811	25,934	24,489
Firefighting	40,342	69,431	69,734	40,039
Levy Excess	1,520	-	-	1,520
Fire Debt	835	(930)	15	(110)
Cumulative Fire	39,475	(8,242)	21,700	9,533
Dog	1,187	-	1,187	-
Rainy Day	1,943	-	-	1,943
Fiduciary Fund:				
Payroll Withholdings	(802)	1,696	-	894
Totals	<u>\$ 175,425</u>	<u>\$ 121,215</u>	<u>\$ 169,945</u>	<u>\$ 126,695</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 48,387	\$ 42,273	\$ 51,932	\$ 38,728
Township Assistance	24,489	16,591	31,826	9,254
Firefighting	40,039	65,753	61,010	44,783
Levy Excess	1,520	-	-	1,520
Fire Debt	(110)	-	-	(110)
Cumulative Fire	9,533	5,504	-	15,037
Rainy Day	1,943	-	-	1,943
Fiduciary Fund:				
Payroll Withholdings	894	(3,484)	-	(2,590)
Totals	<u>\$ 126,695</u>	<u>\$ 126,638</u>	<u>\$ 144,768</u>	<u>\$ 108,565</u>

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

EEL RIVER TOWNSHIP, HENDRICKS 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

Normally, 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.

EEL RIVER TOWNSHIP, HENDRICKS COUNTY
EXAMINATION RESULTS AND COMMENTS

OPTICAL IMAGES OF WARRANTS

The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned only an optical image of the front side of the checks.

IC 5-15-6-3(a) concerning optical imaging of checks, states in part:

". . . 'original records' includes the optical image of a check or deposit document when:

- (1) the check or deposit document is recorded, copied, or reproduced by an optical imaging process . . . ; and
- (2) the drawer of the check receives an optical image of the check after the check is processed for payment . . ."

Furthermore, IC 26-2-8-111 states in part:

"(a) If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:

- (1) accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise; and
- (2) remains accessible for later reference."

"(e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a)."

EEL RIVER TOWNSHIP, HENDRICKS COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

OFFICIAL BOND

The Trustee official bonds were not filed in the office of the County Recorder:

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

BANK RECONCILIATIONS

The bank reconcilements performed by the township accounting program do not agree with the funds on hand with a difference of \$1,496.06 in 2007, \$360.06 in 2008, and \$360.06 in 2009.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OVERDRAWN FUND BALANCES

The Fire Debt Fund from December 31, 2008 and 2009, and the Payroll Withholdings Fund from December 31, 2007 and 2009, were overdrawn.

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 Counties of Indiana, Chapter 1)

EEL RIVER TOWNSHIP, HENDRICKS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 31, 2010, with Joyce Greene, Trustee. The official concurred with our findings.