

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

EXAMINATION REPORT
OF
EAGLE CREEK TOWNSHIP
LAKE COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
04/27/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Rosemarie Morrow	01-01-07 to 12-31-10
Chairman of the Township Board	Bruce McNeil	01-01-07 to 12-31-10



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF EAGLE CREEK TOWNSHIP, LAKE COUNTY, INDIANA

We have examined the financial information presented herein of Eagle 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 1, 2010

EAGLE CREEK TOWNSHIP, LAKE 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	\$ 33,607	\$ 50,481	\$ 36,656	\$ 47,432
Dog	314	-	-	314
Township Assistance	15,154	32,610	16,543	31,221
Firefighting	(9,558)	118,508	94,000	14,950
Ambulance	760	-	-	760
Cumulative Fire	11,997	24,837	19,880	16,954
Parks and Recreation	-	931	-	931
Totals	<u>\$ 52,274</u>	<u>\$ 227,367</u>	<u>\$ 167,079</u>	<u>\$ 112,562</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 47,432	\$ 18,733	\$ 29,196	\$ 36,969
Dog	314	-	-	314
Township Assistance	31,221	15,459	19,873	26,807
Firefighting	14,950	51,901	94,000	(27,149)
Ambulance	760	-	-	760
Cumulative Fire	16,954	11,045	28,266	(267)
Parks and Recreation	931	-	-	931
Totals	<u>\$ 112,562</u>	<u>\$ 97,138</u>	<u>\$ 171,335</u>	<u>\$ 38,365</u>

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

EAGLE CREEK TOWNSHIP, LAKE 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.

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.

Note 6. Subsequent Event

Tax Distribution

On January 20, 2010, the Township received a final settlement of 2008 pay 2009 taxes totaling \$147,101. The final settlement was 100% of the general property taxes for the Township.

EAGLE CREEK TOWNSHIP, LAKE COUNTY
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not presented for examination. A similar comment appeared in the prior report.

IC 5-13-6-1(e) states: "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."

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)

OFFICIAL BOND

Trustee Rosemarie Morrow did not obtain an official bond for 2008 or 2009. The former Trustee was bonded during both 2008 and 2009. As of July 1, 2009, the official bond coverage was not increased to \$30,000. The official bonds of the former Trustee were not filed in the Lake County Recorder's office. A similar comment appeared in the prior report.

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

Until July 1, 2009, IC 5-4-1-18 stated in part:

"(c) The fiscal bodies of the respective units shall fix the amount of the bond of . . . township trustees . . . as follows:

- (1) The amount must equal fifteen thousand dollars (\$15,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount may not be less than fifteen thousand dollars (\$15,000) nor more than three hundred thousand dollars (\$300,000) . . ."

Effective July 1, 2009, IC 5-4-1-18 states in part:

"(c) Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of . . . township trustees . . . as follows:

- (1) The amount of annual coverage must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount of annual coverage may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount of annual coverage for the officer or employee. . . ."

EAGLE CREEK TOWNSHIP, LAKE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

CONTRACTS

Payments of \$75,000 were made in both 2008 and 2009 to Tri-Creek Ambulance Service for emergency medical services without a written contract. A similar comment appeared in the prior report.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OVERDRAWN CASH BALANCES

The cash balances of the Firefighting Fund (\$27,149) and Cumulative Fire Fund (\$267) were overdrawn in 2009.

The cash balance of any fund may not be reduced below zero. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

DOG FUND

The Dog Fund has a balance of \$314 and was not closed during 2007.

Public Law 162, House Enrolled Act 1001, effective July 1, 2006, provides non-code closeout provisions: (f) If any part of the money distributed to a township trustee under subsection (d) has not been not expended by July 1, 2007, for a purpose allowed under subsection (e), the township trustee shall distribute the remainder of the distribution received under subsection (d) to the county treasurer. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 7)

PRESCRIBED FORMS

The following forms were not in use for the administration of Township Assistance:

- Township Form TA-1, Application for Township Assistance
- Township Form TA-1A, Notice of Township Assistance Action
- Township Form TA-1B, Application for Additional or Continuing Township Assistance
- Township Form TA-7, Township Assistance Statistical Report

A similar comment appeared in the prior report.

Prescribed forms to be used by the township trustee in the administration of township assistance are: TA-1, TA-1A, TA-1B, TA-2, and TA-7. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 6)

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 Townships, Chapter 13)

EAGLE CREEK TOWNSHIP, LAKE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

CERTIFIED REPORT 100R

The Township did not file Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100R) with the State Board of Accounts. A similar comment appeared in the prior report.

Each year during the month of January each township trustee must complete a Certified Report of Names, Addresses, Duties and Compensation of Public Employees Form 100R and send the same properly certified to the State Examiner of the State Board of Accounts. List all officers and employees and business address of the township as of the month of January. Form 100R may be procured from your printer or supply firm. Space is provided for the name of the officer or employee, the address of each, the duties of each, and the compensation. List the compensation per month, week, day or hour. You will need to use more than one form if there are more than 65 officers and employees. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

RECEIPT ISSUANCE

Receipts were not issued.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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 Townships, Chapter 13)

EAGLE CREEK TOWNSHIP, LAKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 1, 2010, with and James L. Morrow, Deputy Trustee. The official concurred with our findings.