

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

EXAMINATION REPORT
OF
ERIE TOWNSHIP
MIAMI COUNTY, INDIANA
January 1, 2003 to December 31, 2005



FILED
7/20/06

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OFFICIALS

Office

Official

Term

Trustee

Don S. Keller

01-01-03 to 12-31-06

Chairman of the
Township Board

Blake Touloukian

01-01-03 to 12-31-06



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF ERIE TOWNSHIP, MIAMI COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Erie Township (Township), for the period of January 1, 2003 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, 2003, 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

March 28, 2006

ERIE TOWNSHIP, MIAMI COUNTY
 SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
 ALL GOVERNMENTAL FUND TYPES
 As Of And For The Years Ended December 31, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 7,806	\$ 7,557	\$ 5,540	\$ 9,823
Dog	320	24	20	324
Township Assistance	8,437	2,458	-	10,895
Firefighting	10,097	9,920	5,000	15,017
Totals	<u>\$ 26,660</u>	<u>\$ 19,959</u>	<u>\$ 10,560</u>	<u>\$ 36,059</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 9,823	\$ 9,104	\$ 6,085	\$ 12,842
Dog	324	12	24	312
Township Assistance	10,895	824	311	11,408
Firefighting	15,017	4,808	5,000	14,825
Totals	<u>\$ 36,059</u>	<u>\$ 14,748</u>	<u>\$ 11,420</u>	<u>\$ 39,387</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 12,842	\$ 10,297	\$ 6,472	\$ 16,667
Dog	312	14	12	314
Township Assistance	11,408	622	33	11,997
Firefighting	14,825	5,978	5,316	15,487
Levy Excess	-	751	-	751
Totals	<u>\$ 39,387</u>	<u>\$ 17,662</u>	<u>\$ 11,833</u>	<u>\$ 45,216</u>

The accompanying notes are an integral part of the schedules.

ERIE TOWNSHIP, MIAMI 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, 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.

ERIE TOWNSHIP, MIAMI COUNTY
EXAMINATION RESULTS AND COMMENTS

PRESCRIBED FORMS

The following prescribed forms were not in use:

Township Form 6 – Township Trustee Check

Township Form 17 – Resolution Recommending Salaries
of Township Officers and Employees

General Form 101 – Mileage Claim

A similar comment was in prior Examination Report B20518.

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 Township, Chapter 13)

SALARIES AND WAGES

The amount of approved salaries and wages was not recorded in the Township Board Minutes. Township Form 17 – Resolution Recommending Salaries of Township Officers and Employees was not presented for audit and was not included in the Township Board Minutes by reference. A similar comment was in prior Examination Report B20518.

Indiana Code 36-6-6-10 requires the Township Board to set the salaries; wages; rates of hourly pay; and remuneration other than statutory allowances of all township officials and employees, except assessing officials and employees, for the year 1985 and each year thereafter. However, please remember the Township Board should record salaries so fixed in the Township Board minutes. A type of format for recording these salaries should be the existing format of Township Form 17. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

ERIE TOWNSHIP, MIAMI COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

TRAVEL CLAIMS

The Township Trustee was paid \$100 in 2003, 2004, and 2005, for mileage reimbursement without filing Mileage Claim, General Form 101.

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 Townships, Chapter 13)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The Township paid \$600 or more for Township rent in 2003, 2004, and 2005. No Federal Form 1099's were issued for these payments as required by the Internal Revenue Service.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

ERIE TOWNSHIP, MIAMI COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 28, 2006, with Don S. Keller, Trustee. The official concurred with our findings.