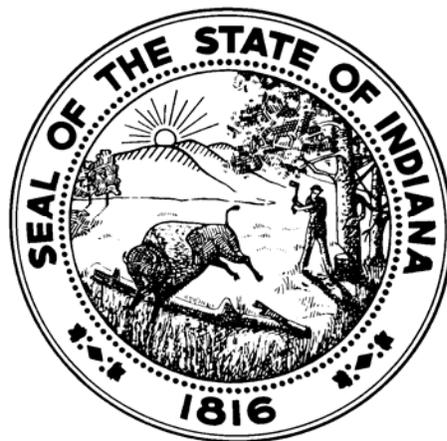


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
BLUE RIVER TOWNSHIP
JOHNSON COUNTY, INDIANA
January 1, 2002 to December 31, 2005



FILED
09/26/2006

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OFFICIALS

Office

Official

Term

Trustee

Larry Whitlock

01-01-02 to 12-31-06

Chairman of the
Township Board

Charlotte Whited

01-01-02 to 12-31-06



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF BLUE RIVER TOWNSHIP, JOHNSON COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Blue River Township (Township), for the period of January 1, 2002 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, 2002, 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

August 8, 2006

BLUE RIVER TOWNSHIP, JOHNSON 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, 2002, 2003, 2004, And 2005

	Cash and Investments 01-01-02	Receipts	Disbursements	Cash and Investments 12-31-02
Governmental Funds:				
General	\$ 42,626	\$ 38,191	\$ 36,182	\$ 44,635
Dog	409	137	109	437
Township Assistance	37,421	34,803	34,497	37,727
Firefighting	2,451	5,529	6,500	1,480
Levy Excess	378	-	-	378
Fiduciary Fund:				
Payroll Withholdings	-	353	-	353
Totals	<u>\$ 83,285</u>	<u>\$ 79,013</u>	<u>\$ 77,288</u>	<u>\$ 85,010</u>

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 44,635	\$ 28,984	\$ 37,728	\$ 35,891
Dog	437	133	137	433
Township Assistance	37,727	35,674	40,085	33,316
Firefighting	1,480	11,449	8,000	4,929
Levy Excess	378	-	-	378
Fiduciary Fund:				
Payroll Withholdings	353	118	353	118
Totals	<u>\$ 85,010</u>	<u>\$ 76,358</u>	<u>\$ 86,303</u>	<u>\$ 75,065</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 35,891	\$ 19,219	\$ 36,129	\$ 18,981
Dog	433	124	133	424
Township Assistance	33,316	24,259	45,283	12,292
Firefighting	4,929	9,345	9,000	5,274
Levy Excess	378	-	378	-
Rainy Day Fund	-	2,044	-	2,044
Fiduciary Fund:				
Payroll Withholdings	118	-	118	-
Totals	<u>\$ 75,065</u>	<u>\$ 54,991</u>	<u>\$ 91,041</u>	<u>\$ 39,015</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 18,981	\$ 41,532	\$ 38,145	\$ 22,368
Dog	424	168	124	468
Township Assistance	12,292	49,198	36,713	24,777
Firefighting	5,274	9,981	11,000	4,255
Rainy Day Fund	2,044	-	-	2,044
Fiduciary Fund:				
Payroll Withholdings	-	269	-	269
Totals	<u>\$ 39,015</u>	<u>\$ 101,148</u>	<u>\$ 85,982</u>	<u>\$ 54,181</u>

The accompanying notes are an integral part of the schedules.

BLUE RIVER TOWNSHIP, JOHNSON 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, 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.

BLUE RIVER TOWNSHIP, JOHNSON COUNTY
EXAMINATION RESULTS AND COMMENTS

DISBURSEMENT DOCUMENTATION

The Township is using a credit card in some instances to purchase Township Assistance medical items without an approved credit card policy. Additionally, these purchases were paid from the monthly credit card statement rather than itemized, individualized receipts. The Township Assistance claims were not always supported by properly completed forms.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

- (1) The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
- (2) Issuance and use should be handled by an official or employee designated by the board.
- (3) The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
- (4) When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
- (5) The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
- (6) Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
- (7) Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
- (8) If properly authorized, an annual fee may be paid.

(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)

BLUE RIVER TOWNSHIP, JOHNSON COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

OFFICIAL BONDS

The Township Trustee was bonded for the audit period and is bonded for the current year. However, none of the bonds are on file in the Office of the County Recorder:

Indiana Code 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 . . ."

PENALTIES, INTEREST AND OTHER CHARGES

Penalties and interest totaling \$22.27 were paid to the Internal Revenue Service on December 9, 2002. Penalties and interest totaling \$48.16 and \$14.92 were paid to the Indiana Department of Revenue on January 1, 2004, and November 3, 2004, respectively.

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)

BLUE RIVER TOWNSHIP, JOHNSON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 10, 2006, with Larry Whitlock, Trustee. The official concurred with our findings.