

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

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



**FILED**  
09/27/2006



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Daniel C. Maple	01-01-02 to 12-31-06
Chairman of the Township Board	Forrest L. Chambers Wm. Brian Walker	01-01-02 to 01-24-06 01-25-06 to 12-31-06



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the schedules of receipts, disbursements, and cash and investment balances of White 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

July 10, 2006

WHITE RIVER TOWNSHIP, JOHNSON COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL 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	\$ 200,180	\$ 297,349	\$ 217,483	\$ 280,046
Dog	1,494	1,622	1,961	1,155
Township Assistance	27,883	35,527	42,768	20,643
Totals	<u>\$ 229,557</u>	<u>\$ 334,497</u>	<u>\$ 262,212</u>	<u>\$ 301,843</u>

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 280,046	\$ 263,272	\$ 190,424	\$ 352,894
Dog	1,155	1,362	855	1,662
Township Assistance	20,643	49,496	46,568	23,571
Totals	<u>\$ 301,843</u>	<u>\$ 314,130</u>	<u>\$ 237,847</u>	<u>\$ 378,127</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 352,894	\$ 246,490	\$ 296,461	\$ 302,923
Dog	1,662	1,407	1,362	1,707
Township Assistance	23,571	80,155	60,544	43,182
Rainy Day	-	8,183	-	8,183
Totals	<u>\$ 378,127</u>	<u>\$ 336,235</u>	<u>\$ 358,367</u>	<u>\$ 355,994</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 302,923	\$ 226,575	\$ 430,256	\$ 99,242
Dog	1,707	1,751	1,388	2,069
Township Assistance	43,182	116,017	99,683	59,516
Rainy Day	8,183	-	-	8,183
Totals	<u>\$ 355,994</u>	<u>\$ 344,343</u>	<u>\$ 531,328</u>	<u>\$ 169,010</u>

WHITE 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: health and social services (township assistance) and general administrative services (weed and dog control and cemetery maintenance).

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. Long-Term Debt

The Township has entered into a capital lease for a township government center with the White River Township Government Facility Building Corporation. The outstanding principal at June 30, 2006, was \$2,840,000.

The Township also incurred debt as a direct financing lease from National City Bank on November 11, 2004, to purchase equipment for the government facility. Outstanding debt on this loan as of December 31, 2006, was \$179,381.

WHITE RIVER TOWNSHIP, JOHNSON COUNTY  
EXAMINATION RESULTS AND COMMENTS

PERSONAL EXPENSES CHARGED TO CREDIT CARD

The Trustee and Administrative Assistant attended a national conference in September 2005 sponsored by the NATaT/NCSC, "America's Town Meeting," at the Hyatt Regency Washington, DC. Daniel C. Maple, Trustee, became ill during the conference period and was hospitalized for several days at Washington Hospital Center before being released to travel back to Indiana. The Trustee's wife traveled to Washington, D.C., during the time Daniel C. Maple was sick and occupied the room at the Hyatt which had originally been occupied by the Trustee prior to the hospitalization. Costs of the extended stay at the hotel, along with other related costs, were charged to the Township credit card. The credit card bill was received by the Township and paid on November 7, 2005. The Trustee paid back to the Township, in mid February 2006, a total of \$670.99.

Also, while in Washington at the NATaT/NCSC conference, the Administrative Assistant, Robyn Head, who paid for her personal meals, taxis, etc., from personal funds, used the Township credit card to charge personal items totaling \$217.56. Daniel C. Maple, Trustee, was aware of the use of the credit card and \$217.56 was reimbursed to the Township on December 6, 2005. Additional amounts totaling \$31.63 deemed to be personal items were charged to the Township credit card in December 2005 and were repaid to the Township in January 2006.

No other information examined during our audit indicated that any additional charges on credit card statements during the audit period were of a personal nature.

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

TRAVEL POLICY AND LODGING EXPENSE

Hotel expenses were paid in 2004 and 2005 in conjunction with conferences held by the Indiana Township Association, Inc., and the Indiana State Board of Accounts. A hotel room was booked for the Trustee for November 14, 15, 16, and 17 of 2004 for the Indiana Township Association (ITA) conference in Indianapolis. Two nights were charged at the special conference rate of \$99.68 per night and two nights were charged at the regular price of \$222.88 per night, due to no further availabilities at the special rate when the room was booked.

A hotel room was booked for the Trustee for November 15, 16, 17, and 18 of 2005 for the ITA annual conference for four nights at the special convention rate of \$102.35 per night, including the applicable tax. All charges were paid with Township funds. The Trustee did not attend the scheduled conference sessions during the day, due to not receiving requested approval for time off from the Perry Township Fire Department, but stated he did join the group for evening events and occupied the room which had been reserved.

Mark Messick, Township Board Member, had agreed to attend the November 2004 ITA conference and a 2005 ITA training seminar in Clarksville, Indiana. Registration fees totaling \$289 were paid in advance with Township funds. Mark Messick did not attend these meetings or notify others attending of his intent prior to these conferences.

The Township does not have a written travel policy, establishing amounts to be paid for mileage, lodging, parking, meals, and other necessary expenses. Except for occasional approvals for conferences by the Township Board, reimbursements for travel were approved by the Trustee.

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

Each governmental unit should adopt a written travel policy in conformity with applicable statutes. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Every effort should be made by the governmental unit to avoid unreasonable or excessive costs. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

EXECUTIVE SESSION

The Township Board met in executive session at the request of the Trustee on January 22, 2006, to discuss a personnel issue regarding use of the Township credit card. Board meeting minutes did not indicate that final action on the matter discussed was taken at an open meeting.

Indiana Code 5-14-1.5-6.1 concerning executive sessions states in part (b) – Executive session may be held only in the following instances . . . "With respect to any individual over whom the governing body has jurisdiction: (A) to receive information concerning the individual's alleged misconduct; . . . (c) A final action must be taken at a meeting open to the public."

PUBLIC RECORDS RETENTION

Bank statements for January and February 2002 were not presented for audit. The financial institution does not return cancelled checks but provides optical images. All optically imaged checks were not presented for audit. Invoices to support payments of expenses were not provided for all payments made.

A review of township assistance revealed that the Application for Township Assistance, TA-1, was not on file for 8% of those reviewed, the Notice of Township Assistance Action, TA-1A, was not found for 27% of those reviewed, and the Application for Additional or Township Continuing Assistance, TA-1B, was not found for 15% of those reviewed.

Indiana Code 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

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)

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)

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

CAPITAL ASSET RECORDS

Information presented for audit did not indicate an inventory or record of capital assets. No policy has been established for maintenance of these records

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

WHITE RIVER TOWNSHIP, JOHNSON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed in exit conferences on August 2, 2006, with Daniel C. Maple, Township Assistant; Robyn Head, Administrative Assistant; Wm. Brian Walker, Chairman of the Township Board; Forrest L. Chambers, Advisory Board member; and Mark Messick, Advisory Board member. The official responses have been made a part of this report and may be found on pages 10 through 16.



# WHITE RIVER TOWNSHIP JOHNSON COUNTY

**HON. DANIEL C. MAPLE**  
*Township Trustee*

4800 W. Stones Crossing Rd., Suite 1 • Greenwood, IN 46143 • (317)885-6325

**ROBYN M. HEAD**  
*Administrative Assistant*

September 7, 2006

Bruce Hartman, State Examiner  
State Board of Accounts  
302 West Washington Street  
Room E418  
Indianapolis, Indiana 46204-2765

RE: Personal expenses charged to company credit card

Dear Mr. Hartman:

I arrived in Washington DC on September 6, 2005 and was hospitalized on September 7, 2005. My departure date was originally scheduled for the end of the conference on September 10. My physicians at the hospital would not release me until September 11 at 1:45 pm. I left the hospital at around 2:30 pm and went straight to my hotel room. My wife then changed my departure date with the airlines for September 12. We left Washington DC at around 10:00 a.m. to come home to Indianapolis.

I went to Washington DC on township business and I never considered the added expenses to be personal. I never gave the added expenses a second thought until it came up in a board meeting in February. Once released from the hospital, I did not spend any extra time in Washington DC. I boarded a plane to come home less than 24 hours after being discharged.

Brian Walker insisted that I pay back the added charges while Mark Messick and Forrest Chambers said that it was township business and I did not spend any extra time sightseeing or other activities and they both believed that the added expenses were reasonable. I did agree to reimburse the township so that there would not be any questions about the expenses being inappropriate. I feel that all expenses were legitimate and I should be reimbursed. Mr. Kerry Fleming stated at the exit conference that had the money not been paid back, it would not have been an issue with the State Board of Accounts.

During my illness in Washington DC, Robyn Head, my administrative assistant paid for her expenses out of her personal funds. She called me at the hospital the night before her departure and said that she was low on money. She asked me if she could use the township credit card and she said that she would reimburse the township upon returning to Indianapolis. I gave her permission to use the charge card, knowing that she would pay it back and I told her to keep the receipts. When I returned to the office, she gave me

## **Board Members**

Forrest Chambers • Mark Messick • Brian Walker



# WHITE RIVER TOWNSHIP JOHNSON COUNTY

**HON. DANIEL C. MAPLE**  
*Township Trustee*

4800 W. Stones Crossing Rd., Suite 1 • Greenwood, IN 46143 • (317)885-6325

**ROBYN M. HEAD**  
*Administrative Assistant*

Page 2

the receipts and offered to write a personal check for her expenses. I said to wait until the bill came in which was on October 21, 2005 and it was due in November. I told Robyn to go ahead and pay October's bill as it was. I failed to collect her reimbursement until December 2005, at which time it was deposited.

The township has no credit card policy. All of the charges were paid back in a reasonable time period. I do not believe that there was any attempt to defraud the township. If anything, I failed to deposit the money in a timely manner.

The township has never had a credit card policy or travel policy in place. I spoke with Mark Messick about both and he said they were not needed. Since no policy was in effect, it is my opinion since township employees fall under the jurisdiction of trustee's, that Robyn should receive a full reimbursement for her week's suspension.

The township trustee will work on policies in the future.

I agree with the travel and capital asset records as part of the audit and that will be addressed.

Per my conversation with Theresa Collins, Marilyn Rudolph and Kerry Fleming, there were never any attempts by the trustee or administrative assistant to commit theft or fraud.

Respectfully,

*Daniel C. Maple*

Daniel C. Maple  
White River Township Trustee

*Robyn Head*

Robyn Head  
Administrative Assistant

## Board Members

Forrest Chambers • Mark Messick • Brian Walker

**September 23, 2006**

Mr. Bruce Hartman  
Indiana State Board of Accounts  
302 West Washington Street  
Room E4118  
Indianapolis, IN 46204

**Subject:** Response to the Examination Results and Comments reported by the State Board of Accounts Concerning the Audit of the White River Township Trustee's Office Conducted in 2006

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**Response By:** Brian Walker, White River Township Advisory Board President

**Response Date:** 8/23/2006

**Page 1 of 3 Pages**

Final State Board of Account Report Generated by Marilyn Rudoph on 8/17/2006

First of all, I would like to thank the State Board of Accounts for performing the audit of the White River Trustee office this year. Due to questionable spending practices and missing receipts and documentation it was of my feeling as well as other board members, this audit was necessary in order to ensure that all funds were present and accounted for in the White River Township Trustee office.

Your report has five main categories that have been reported for various reasons.

1. Personal Expenses Charged to the Credit Card
2. Public Records Retention
3. Executive Session
4. Travel Policy and Lodging Expense
5. Capital Asset Records

I wish to provide this response to some of the areas covered in your report, so that you know I have reviewed your report. My reply's / questions to certain areas of your report are by no means meant to criticize anyone rather they are meant to enable myself to have clear understanding on the chain of events that should take place in order to clear up any discrepancies that may exist in the Trustee's office. Or draft any policy's that we have the authority as an advisory board to draft, if they do not already exist.

Clarification from the State Board of Accounts on how these areas in your audit should be addressed properly from this time forward would be beneficial.

## **Public Records Retention**

It is stated in your report that the January and February 2002 bank statements were not present for your audit as well as some township assistant forms TA-1 and TA-1A. In addition to bank statements and cancelled checks, your report also indicates that invoices to support payments of expenses were not provided for all payments made.

**I will be unable to respond entirely on this subject until I know which documents were missing in your audit. Will the advisory board get a list of all missing documents that you could not find?**

**Has the Trustee and his assistant been instructed or advised on how documents, invoices, and contracts should be kept on file at all times for public review?**

## **Executive Session**

Although the advisory board was asked to an executive session meeting to discuss personal issue's with the Township Trustee's assistant, by the Trustee, you indicate in your report that the governing board (Township Advisory Board) does not have jurisdiction over the township employees. According to IC5-14-1.5-6.1 in your report it is stated that Executive Sessions – permits an executive session as stated in (b)(6): With respect to any individual over whom the governing body has jurisdiction: (A) to receive information concerning the individual's alleged misconduct..... Further stated in (c): A final action must be taken at a meeting open to the public.

After further review of IC5-14-1.5-6.1 and the Advisory Board Handbook on the State Board of Accounts web site, I have a question concerning your determination as to whether the Advisory Board should have participated in the Executive Session meeting that the Trustee called in regards to the misuse of the Township credit card by his assistant.

- 1. We were told by the Trustee that Township funds were used inappropriately; therefore, he felt we needed to have a meeting to discuss the situation as did I as a board member.**
  - a. Since the Advisory Board is responsible for passing a budget for the Trustee's office at the end of each calendar year then it seems as if we should attend any meeting that involves the funds of the trustee's office especially if the Trustee calls the meeting under these circumstances. Should we not attend all meetings that pertain to the Township funds?**
  - b. After hearing what the Trustee had to say and that the inappropriate use of the Township credit card was initiated by his assistant for her personal use, it was determined that he (TRUSTEE) needed to take the action necessary, not the advisory board. He did not take action on the matter in public session.**

## **Travel Policy and Lodging Expense**

It was stated that the Trustee was not able to attend an ITA annual conference that he requested of the advisory board to attend on November 15,16,17, and 18, 2005. The Trustee states the reason he did not attend the conference was because, according to your report, he did not receive his requested approval for time off from the Perry Township Fire Department. It is indicated in your report, the Township does not have a written travel policy establishing amounts to be paid for mileage, lodging, parking, meals, and other necessary expenses except for occasional approvals for conferences by the Township Board.

***According to the Accounting and Uniform Compliance Guidelines Manual For Townships Issued by the Indiana State Board Of Accounts, Revision 2005.***

### ***Chapter 17-3***

#### ***Travel Policies***

*Each governmental unit should adopt a written travel policy in conformity with applicable statutes. Reimbursement for lodging and meals, should be based upon actual receipts for amounts paid unless otherwise authorized by the statute.*

**Is the governmental unit in this case the Trustee and not the advisory board? If hotel arrangements had to be made and this conference required the Trustee to register his attendance in advance then one would think that he would have requested time off from his full time employer prior to signing up for the conference. According to your handbook, the duties of the Township Board is listed in Chapter 5 of the Accounting and Uniform Compliance Guidelines Manual For Townships Issued by the Indiana State Board Of Accounts, Revision 2005.**

- 1. It indicates "that space will not permit the listing of all duties of the township board". If you read through the duties that are listed, no where is it listed that the Advisory Board has the authority to set Travel policies for the Trustee and his office or any policy's. Does that power exist in the duties that are not listed in the handbook? How do we get a copy of the complete list of duties for the Township Advisory Board?**

**Mark W. Messick**  
**637 S State Road 135 - Suite A**  
**Greenwood, IN 46142**

August 25, 2006

Ms. Marilyn Rudolph  
Special Projects & CAFR  
Indiana State Board of Accounts  
302 West Washington Street  
Room E4118  
Indianapolis, IN 46204

Re: White River Township Trustee Examination Results and Comments  
White River Township, Johnson County, Indiana

Dear Marilyn,

Please accept this letter as my formal response to your Examination of the White River Township Trustee for the period beginning January 2004 and ending June 2006.

**I. Personal Expenses Charged To Credit Card**

Response: In reference to the \$31.63, the charges were actually expensed in two separate months. The CVS charge was December 2005 and the Applebee's charge was January 2006.

The Township Board did not approve the personal use of the Township Credit Card and the Trustee had told the Board, that he was not aware of the usage by the Administrative Assistant until after the fact. The Trustee told the board that he had personally advised the Administrative Assistant not to use the Credit Card for any use other than Township business after a charge had appeared on a monthly statement for Caesar's Palace. (The Caesar's Palace charge was reversed by Caesar's Palace)

**II. Public Records Retention**

Response: Is this usual? Should the board ask the financial institution to provide certified copies of January and February 2002 bank statements? What should the board do about the remaining missing documents? Do you have a complete list of the missing TA-1's, TA-1A's and TA-1B's?

**III. Executive Session**

Response: The board met in executive session on January 22, 2006 at the request of the Trustee to discuss a personnel issue regarding the use of the Township credit card. Because the Trustee requested the executive session and because it was in relationship to a personnel issue, the board agreed to the meeting. The board sets the wages for all Township employees and thereby has joint jurisdiction. The board did agree with the Trustee that he had the authority to take action. I remember the meeting being opened to the public and accepting the Trustee Authority to handle the personnel matter. I would hope that the approved minutes for that meeting indicate such.

#### IV. Travel Policy and Lodging Expense

Response: It has been brought to my attention that the proper process for the township to follow would be for no monies to be spent until services are rendered. This was not the case.

In all cases, I was not aware that the ITA did not refund all monies. That being said, had the trustee followed the guidelines established by the State Board of Accounts no monies would have been spent. The ITA does allow attendees to pay during on-site registration at the conference.

#### V. Capital Asset Records

Response: The Advisory Board was not aware that a policy was not already established for these records and other items mentioned in your examination. I personally plan to ask the Trustee for a copy of all existing policies. I further plan to compare those policies to the guidelines manual for townships published by the State Board of Accounts.

In conclusion, this audit has been very reviving. It has brought attention to several areas, which the Trustee's office needs to tighten its procedures. It has enlightened individual board members to the possibility the Trustee may not have established policies in accordance to guidelines established by the State Board of Accounts. I personally was not aware that the State Board of Accounts had published an "Accounting and Uniform Compliance Guidelines Manual for Townships". It is my intentions to advise the Trustee of its existence and to recommend that he immediately research his records for existing policies and bring our Trustee Office in compliance with the established guidelines.

Sincerely,



Mark W. Messick  
White River Township Advisory Board Member