

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

EXAMINATION REPORT
OF
WHITE RIVER TOWNSHIP
GIBSON COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
01/16/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Troy Baize	01-01-03 to 12-31-06
Chairman of the Township Board	James H. Bertram Jr.	01-01-04 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of White River Township (Township), for the period of January 1, 2004 to December 31, 2005. 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, 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

December 12, 2006

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

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
Township	\$ 34,914	\$ 27,114	\$ 17,477	\$ 44,551
Dog	300	-	-	300
Township Assistance	14,811	-	2,813	11,998
Firefighting	(13,753)	152,672	155,660	(16,741)
Park and Recreation	786	1,293	800	1,279
Levy Excess	320	-	-	320
Fire Debt	274	-	-	274
Fire Runs Equipment	(4,882)	1,750	-	(3,132)
Totals	<u>\$ 32,770</u>	<u>\$ 182,829</u>	<u>\$ 176,750</u>	<u>\$ 38,849</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Township	\$ 44,551	\$ 22,647	\$ 16,830	\$ 50,368
Dog	300	-	-	300
Township Assistance	11,998	3,816	3,119	12,695
Firefighting	(16,741)	76,573	73,108	(13,276)
Park and Recreation	1,279	909	800	1,388
Levy Excess	320	-	-	320
Fire Debt	274	-	-	274
Fire Runs Equipment	(3,132)	4,000	2,903	(2,035)
Totals	<u>\$ 38,849</u>	<u>\$ 107,945</u>	<u>\$ 96,760</u>	<u>\$ 50,034</u>

The accompanying notes are an integral part of the schedules.

WHITE RIVER TOWNSHIP, GIBSON 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. 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.

WHITE RIVER TOWNSHIP, GIBSON COUNTY
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

Fund	Years	Excess Amount Expended
General	2005	\$ 16,830
Township Assistance	2005	3,119
Firefighting	2005	73,108
Park and Recreation	2005	800

A similar comment appeared in the prior report.

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

BANK ACCOUNT RECONCILIATIONS

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

Indiana Code 5-13-6-1(e) states in part: "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, 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)

BOARD MINUTES

Board minutes presented for examination did not include annual report approval for each year of the examination period. Officers of the Board and Board of Finance were also not listed in the minutes. A similar comment appeared in the prior report.

Indiana Code 5-14-1.5-4(b) states: "As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.

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

- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes taken, by individual members if there is a roll call.
- (5) Any additional information required under IC 5-1.5-2-2.5 or IC 20-12-63-7.

DEPOSIT OF PUBLIC FUNDS

We noted instances where the Trustee was making deposits less than once a month. A similar comment appeared in prior reports.

Indiana Code 5-13-6-1(c) states in part: "The public funds collected by township trustees shall be deposited in the designated depository on or before the first and fifteenth day of each month."

OVERDRAWN FUND BALANCES

The Firefighting Fund and the Fire Runs Equipment Fund were overdrawn in both 2004 and 2005. A similar comment appeared in the prior report.

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 Townships, Chapter 13)

SUPPORTING DOCUMENTATION

Several payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records. Due to the lack of supporting information, the validity and accountability for some money disbursed could not be established. A similar comment appeared in the prior report.

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)

WHITE RIVER TOWNSHIP, GIBSON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 12, 2006, with Troy Baize, Trustee. The official concurred with our findings.