

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

EXAMINATION REPORT  
OF  
TOWN OF RIVER FOREST  
MADISON COUNTY, INDIANA  
January 1, 2006 to December 31, 2007



**FILED**  
10/29/2008



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances .....	4
Notes to Financial Information .....	5
Examination Results and Comments:	
Appropriations.....	6
Official Bond .....	6
Errors on Claims .....	6
Bank Account Reconciliations .....	7
Deposits.....	7
Condition of Records .....	7
Annual Reports .....	7
Certified Report Not Filed .....	8
Transfers Between Funds .....	8
Exit Conference.....	9

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Crist C. Blassaras	01-01-04 to 10-15-06
	Peggy L. Blassaras	10-16-06 to 12-31-07
	Crist C. Blassaras	01-01-08 to 12-31-09
President of the Town Council	Crist C. Blassaras	01-01-06 to 12-31-07
	Frank Phelps	01-01-08 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

---

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF RIVER FOREST, MADISON COUNTY, INDIANA

We have examined the financial information presented herein of the Town of River Forest (Town), for the period of January 1, 2006 to December 31, 2007. The Town'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 Town for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

September 23, 2008

TOWN OF RIVER FOREST  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 11,194	\$ 12,044	\$ 7,079	\$ 16,159
Motor Vehicle Highway	-	1,050	1,050	-
Local Road and Street	-	277	277	-
Riverboat	-	176	176	-
Cumulative Capital Improvement	-	100	100	-
Levy Excess	-	181	-	181
Totals	<u>\$ 11,194</u>	<u>\$ 13,828</u>	<u>\$ 8,682</u>	<u>\$ 16,340</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 16,159	\$ 3,438	\$ 8,366	\$ 11,231
Motor Vehicle Highway	-	1,029	1,029	-
Local Road and Street	-	278	278	-
Rainy Day	-	190	190	-
Riverboat	-	177	177	-
Cumulative Capital Improvement	-	98	98	-
Levy Excess	181	111	-	292
Totals	<u>\$ 16,340</u>	<u>\$ 5,321</u>	<u>\$ 10,138</u>	<u>\$ 11,523</u>

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

TOWN OF RIVER FOREST  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety and general administrative services.

Note 2. Fund Accounting

The Town 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 or highway use taxes are received 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 Town 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).

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 Town 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.

TOWN OF RIVER FOREST  
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for examination indicated expenditures in excess of budgeted appropriations in the amount of \$951 for the General Fund for 2007.

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."

OFFICIAL BOND

The official bond for the Clerk-Treasurer was not filed in the Office of the County Recorder for 2006 or 2007. Additionally, the person serving as Clerk-Treasurer changed effective October 16, 2006, however, an official bond denoting this change was not obtained covering the period of October 16, 2006, through December 31, 2006.

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. . . ."

ERRORS ON CLAIMS

As similarly stated in the prior Report B28046 and a previous report, claims had not been prepared using Accounts Payable Voucher (General Form 39), Accounts Payable Voucher Register (General Form 364), or an approved alternate. This resulted in disbursements not being properly certified and being paid without evidence of proper board approval.

Indiana Code 5-11-10-1.6 states in part:

- "(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services.
- (c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:
- (1) there is a fully itemized invoice or bill for the claim;
  - (2) the invoice or bill is approved by the officer or person receiving the goods and services;
  - (3) the invoice or bill is filed with the governmental entity's fiscal officer;
  - (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
  - (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

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 Cities and Towns, Chapter 7)

TOWN OF RIVER FOREST  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

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 Report B28046.

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."

DEPOSITS

In numerous instances, receipts were deposited later than the next business day. During 2007, distributions of County Option Income tax (COIT) for the months of March, April, and June through December of 2007 were not deposited or posted until December 28, 2007. The COIT distribution for May of 2007 remains outstanding. A similar comment appeared in prior Report B28046.

Indiana Code 5-13-6-1(d) states: "A city (other than a consolidated city) or a town shall deposit funds not later than the next business day following the receipt of the funds in depositories (1) selected by the city or town as provided in an ordinance adopted by the city or the town; and (2) approved as depositories of state funds."

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CONDITION OF RECORDS

During the examination we noted deficiencies relating to the recordkeeping. These errors included deposits for state and local distributions not receipted or posted twice, and interest earned on the checking account being posted twice.

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 Cities and Towns, Chapter 7)

ANNUAL REPORTS

Annual reports for 2006 and 2007 were not presented for examination.

Indiana Code 5-3-1-3(a) states in part: "Within sixty (60) days after the expiration of each calendar year, the fiscal officer of each civil city and town in Indiana shall publish an annual report of the receipts and expenditures of the city or town . . ."

TOWN OF RIVER FOREST  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

CERTIFIED REPORT NOT FILED

The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100R - Revised 2001), or its equivalent, was not filed with the State Examiner of the Indiana State Board of Accounts for 2006 or 2007 as required. A similar comment appeared in the previous reports.

Indiana Code 5-11-13-1 states in part: "Every state, county, city, town, township, or school official . . . shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts."

TRANSFERS BETWEEN FUNDS

We noted where all state distributions for the Motor Vehicle Highway, Local Road and Street, Cumulative Capital Improvement, Riverboat and Rainy Day funds were receipted to the General Fund without the proper ordinance or resolution being passed by the Town Council. A similar comment appeared in Reports B28046 and B22618.

Indiana Code 36-5-4-13(a) states in part: ". . . this subsection applies to a town with a population of five hundred (500) or less. Notwithstanding the provisions of any other statute, a town may transfer money from any town fund to another town fund after the passage of an ordinance or a resolution by the town legislative body specifying the: (1) amount of the transfer; (2) funds involved; (3) date of the transfer; and (4) general purpose of the transfer."

TOWN OF RIVER FOREST  
EXIT CONFERENCE

The contents of this report were discussed on September 23, 2008, with Crist C. Blassaras, Clerk-Treasurer. The official concurred with our findings.