

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

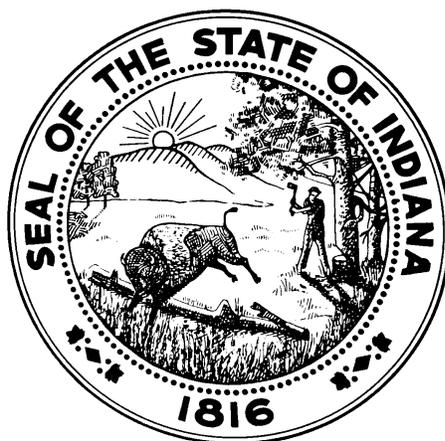
EXAMINATION REPORT

OF

TOWN OF WEST HARRISON

DEARBORN COUNTY, INDIANA

January 1, 2006 to December 31, 2007



FILED
12/31/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Christina Swafford Pamela Donohue Sherry Kaeser	01-01-04 to 07-11-06 07-12-06 to 08-01-07 08-02-07 to 12-31-08
President of the Town Council	Inetta Jo Wesley	01-01-06 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT' S REPORT

TO: THE OFFICIALS OF THE TOWN OF WEST HARRISON, DEARBORN COUNTY, INDIANA

We have examined the financial information presented herein of the Town of West Harrison (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

November 10, 2008

TOWN OF WEST HARRISON
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	\$ 52,921	\$ 136,520	\$ 121,863	\$ 67,578
Motor Vehicle Highway	106,342	17,021	29,113	94,250
Local Road and Street	12,302	2,183	-	14,485
Riverboat	494,699	180,112	64,399	610,412
Rainy Day	5,810	-	-	5,810
Cumulative Capital Improvement	1,938	1,014	2,000	952
Grant Fund	-	15,700	15,573	127
Law Enforcement Continuing Education	-	42	-	42
Totals	<u>\$ 674,012</u>	<u>\$ 352,592</u>	<u>\$ 232,948</u>	<u>\$ 793,656</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 67,578	\$ 94,721	\$ 111,306	\$ 50,993
Motor Vehicle Highway	94,250	11,194	73,149	32,295
Local Road and Street	14,485	2,450	5,500	11,435
Riverboat	610,412	160,651	74,693	696,370
Rainy Day	5,810	-	2,919	2,891
Cumulative Capital Improvement	952	998	-	1,950
Grant Fund	127	-	-	127
Law Enforcement Continuing Education	42	-	-	42
Totals	<u>\$ 793,656</u>	<u>\$ 270,014</u>	<u>\$ 267,567</u>	<u>\$ 796,103</u>

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

TOWN OF WEST HARRISON
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, highways and streets, 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). 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 Town 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 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 WEST HARRISON
EXAMINATION RESULTS AND COMMENTS

MOTOR VEHICLE HIGHWAY FUND EXPENDITURES (Applies to Clerk-Treasurer)

Funds were disbursed from the Motor Vehicle Highway Fund for the following purposes:

Description	Years	Amount
General Maintenance Worker Wages	2006	\$ 9,141
Town Liability Insurance and Officials Bonds	2006	9,872
Town Liability Insurance and Officials Bonds	2007	7,729
Town Hall Building Maintenance	2006	925
Town Hall Building Maintenance	2007	10,279
Fire Protection Contract	2007	<u>16,500</u>
 Total		 <u>\$ 54,446</u>

Indiana Code 8-14-1-5 states in part:

"(a) All funds allocated to cities and towns from the motor vehicle highway account shall be used by the cities and towns for the construction, reconstruction, repair, maintenance, oiling, sprinkling, snow removal, weed and tree cutting and cleaning of their highways as herein defined, and including also any curbs, and the city' s or town' s share of the cost of the separation of the grades of crossing of public highways and railroads, the purchase or lease of highway construction and maintenance equipment, the purchase, erection, operation and maintenance of traffic signs and signals, and safety zones and devices; and the painting of structures, objects, surfaces in highways for purposes of safety and traffic regulation . . .

(b) may be expended for law enforcement purposes . . . no more than fifteen percent (15%) may be spent for law enforcement purposes . . ."

ERRORS ON CLAIMS (Applies to Clerk-Treasurer)

Accounts payable vouchers or invoices did not contain evidence to support receipt of goods or services.

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: . . .

(2) the invoice or bill is approved by the officer or person receiving the goods and services; . . ."

CAPITAL ASSET RECORDS (Applies to Clerk-Treasurer)

The Town does not maintain a detailed inventory of capital asset.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded in the Capital Assets Ledger. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF WEST HARRISON
EXIT CONFERENCE

The contents of this report were discussed on November 10, 2008, with Sherry Kaeser, Clerk-Treasurer; Inetta Jo Wesley, President of the Town Council; and Christina Swafford, former Clerk-Treasurer/Town Council Member. The officials concurred with our findings.