

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, 2008 to December 31, 2009



FILED
05/17/2010

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Crist C. Blassaras
Robin L. Jones

01-01-08 to 12-31-08
01-01-09 to 12-31-11

President of the Town Council

Frank Phelps

01-01-08 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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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, 2008 to December 31, 2009. 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, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

April 1, 2010

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, 2008 And 2009

| | Cash and Investments 01-01-08 | Receipts | Disbursements | Cash and Investments 12-31-08 |
|--------------------------------|-------------------------------------|------------------|-----------------|-------------------------------------|
| Governmental Funds: | | | | |
| General | \$ 11,231 | \$ 12,466 | \$ 6,004 | \$ 17,693 |
| Motor Vehicle Highway | - | 779 | 779 | - |
| Local Road and Street | - | 266 | 266 | - |
| Cumulative Capital Improvement | - | 116 | 116 | - |
| Levy Excess | 292 | - | 292 | - |
| | <u>11,523</u> | <u>13,627</u> | <u>7,457</u> | <u>17,693</u> |
| Totals | <u>\$ 11,523</u> | <u>\$ 13,627</u> | <u>\$ 7,457</u> | <u>\$ 17,693</u> |

| | Cash and Investments 01-01-09 | Receipts | Disbursements | Cash and Investments 12-31-09 |
|--------------------------------|-------------------------------------|-----------------|------------------|-------------------------------------|
| Governmental Funds: | | | | |
| General | \$ 17,693 | \$ 7,801 | \$ 9,902 | \$ 15,592 |
| Motor Vehicle Highway | - | 794 | 794 | - |
| Local Road and Street | - | 249 | 249 | - |
| Cumulative Capital Improvement | - | 109 | 109 | - |
| | <u>17,693</u> | <u>8,953</u> | <u>11,054</u> | <u>15,592</u> |
| Totals | <u>\$ 17,693</u> | <u>\$ 8,953</u> | <u>\$ 11,054</u> | <u>\$ 15,592</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

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not presented for examination. A similar comment has appeared in prior reports, most recently Report B33054.

IC 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."

CONDITION OF RECORDS

Financial records presented for examination were incomplete and not reflective of the activity of the Town. The Ledger of Receipts, Disbursements and Balances (City or Town Form 208) was not used in the manner prescribed.

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)

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)

ANNUAL REPORTS

The Annual Reports for 2008 and 2009 were not presented for examination. Additionally, the electronic annual report was not filed with the State Board of Accounts as required for 2009. A similar comment appeared in prior Report B33054.

IC 5-11-1-4 states in part:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be filed electronically, in a manner prescribed by the state examiner . . ."

IC 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."

TOWN OF RIVER FOREST
EXAMINATION RESULTS AND COMMENTS
(Continued)

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)

OFFICIAL BOND

The official bond recorded for the Clerk-Treasurer was in the amount of \$5,000. Prior to July 1, 2009, the official bond was to be in the minimum amount of \$15,000. From July 1, 2009, the amount of the official bond of the Clerk-Treasurer is to be fixed in the minimum sum of \$30,000.

IC 5-4-1-18(c) states in part:

". . . the fiscal bodies of the respective units shall fix the amount of the bond of city controllers, city clerk-treasurers, town clerk-treasurers, Barrett Law fund custodians, county treasurers, county sheriffs, circuit court clerks, township trustees, and conservancy district financial clerks as follows:

- (1) The amount of annual coverage must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount of annual coverage may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount of annual coverage for the officer or employee."

BOARD MINUTES

The minutes of meetings of the governing body were not presented for examination for the year of 2008.

IC 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.
- (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.

TOWN OF RIVER FOREST
EXAMINATION RESULTS AND COMMENTS
(Continued)

IC 5-15-6-3(f) concerning destruction of public records, states in part:

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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)

TOWN OF RIVER FOREST
EXIT CONFERENCE

The contents of this report were discussed on April 1, 2010, with Robin L. Jones, Clerk-Treasurer; and, Frank Phelps, President of the Town Council. The officials concurred with our findings.