

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

EXAMINATION REPORT
OF
TOWN OF NEW WHITELAND
JOHNSON COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
01/10/2011

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	5-6
Supplementary Information: Schedule of Long-Term Debt	7
Examination Results and Comments: Appropriations.....	8
Condition of Records – Payroll Withholding Funds.....	8
Exit Conference.....	9
Official Response	10

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Maribeth Alspach	01-01-08 to 12-31-11
President of the Town Council	John Perrin	01-01-08 to 12-31-10



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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF NEW WHITELAND, JOHNSON COUNTY, INDIANA

We have examined the financial information presented herein of the Town of New Whiteland (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.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. The schedule has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

November 1, 2010

TOWN OF NEW WHITELAND
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY 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	\$ 302,672	\$ 1,618,151	\$ 1,603,982	\$ 316,841
Motor Vehicle Highway	65,662	221,303	195,641	91,324
Local Road and Street	28,825	52,334	32,044	49,115
Park Nonreverting Operating	4,257	-	3,444	813
Firearms Training	560	-	-	560
Law Enforcement Continuing Education	5,817	4,160	6,794	3,183
Police Department - State Grant	91	-	91	-
User Fee	162	-	-	162
Cumulative Fire	160,786	28,025	119,445	69,366
Park Cumulative Capital Improvement	2,500	-	-	2,500
Nonreverting Unrestricted Police Donations	100	-	-	100
Nonreverting Restricted Fire Equipment and Building Donation	51	-	-	51
Nonreverting Unrestricted Fire Equipment Donations	1,659	170	1,113	716
Nonreverting Restricted Building Inspections	17,605	4,890	6,623	15,872
Fire Department - State Grant	3,312	-	3,312	-
Rainy Day	57,212	38,973	-	96,185
Police Department - Homeland Security	297	10,403	10,700	-
Cigarette Tax CCIF	8,518	14,891	15,585	7,824
Operation Pullover	(50)	50	-	-
Proctor Park Donation Fund	744	52,027	46,746	6,025
Proprietary Funds:				
Water Utility - Operating	159,289	699,274	732,366	126,197
Water Utility - Customer Deposit	64,800	19,710	14,283	70,227
Wastewater Utility - Operating	817,474	944,035	1,015,967	745,542
Storm Water	129,594	54,441	4,081	179,954
Debt Service Reserve	208,000	-	-	208,000
Fiduciary Fund:				
Payroll	18,540	757,158	767,293	8,405
Totals	<u>\$ 2,058,477</u>	<u>\$ 4,519,995</u>	<u>\$ 4,579,510</u>	<u>\$ 1,998,962</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 316,841	\$ 1,530,176	\$ 1,548,557	\$ 298,460
Motor Vehicle Highway	91,324	190,607	255,380	26,551
Local Road and Street	49,115	48,813	47,449	50,479
Park Nonreverting Operating	813	-	813	-
Firearms Training	560	-	560	-
Law Enforcement Continuing Education	3,183	5,755	5,471	3,467
User Fee	162	-	162	-
Cumulative Fire	69,366	21,258	18,359	72,265
Park Cumulative Capital Improvement	2,500	-	-	2,500
Nonreverting Unrestricted Police Donations	100	3,096	2,591	605
Nonreverting Restricted Fire Equipment and Building Donation	51	-	-	51
Nonreverting Unrestricted Fire Equipment Donations	716	480	1,072	124
Nonreverting Restricted Building Inspections	15,872	4,535	4,290	16,117
Rainy Day	96,185	30,752	-	126,937
Cigarette Tax CCIF	7,824	14,545	15,233	7,136
Operation Pullover	-	968	968	-
Proctor Park Donation Fund	6,025	21,879	27,016	888
Proprietary Funds:				
Water Utility - Operating	126,197	619,066	700,094	45,169
Water Utility - Customer Deposit	70,227	22,720	16,209	76,738
Wastewater Utility - Operating	745,542	799,838	1,051,524	493,856
Storm Water	179,954	53,978	20,375	213,557
Debt Service Reserve	208,000	-	-	208,000
Fiduciary Fund:				
Payroll	8,405	1,253,176	1,252,288	9,293
Totals	<u>\$ 1,998,962</u>	<u>\$ 4,621,642</u>	<u>\$ 4,968,411</u>	<u>\$ 1,652,193</u>

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

TOWN OF NEW WHITELAND
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, health and social services, culture and recreation, 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 NEW WHITELAND
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Town contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Town authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Note 7. Subsequent Event

During September 2009, the Town was awarded a FEMA grant for the Fire Station Expansion Project in the amount of \$510,000. On October 19, 2010, the Town awarded a project contract to Mills General Contractors in the amount of \$461,900.

TOWN OF NEW WHITELAND
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Fire pumper truck	\$ 133,304	\$ 18,360
Police Cars	50,020	18,150
Notes and loans payable:		
Tracy Road	<u>84,512</u>	<u>28,035</u>
Total governmental activities debt	<u>\$ 267,836</u>	<u>\$ 64,545</u>
Business-type activities:		
Water Utility:		
Notes and loans payable:		
Water Tower	<u>116,366</u>	<u>82,348</u>
Wastewater Utility:		
Notes and loans payable:		
State Revolving Fund Loan	<u>1,517,000</u>	<u>203,164</u>
Total business-type activities debt	<u>\$ 1,633,366</u>	<u>\$ 285,512</u>

TOWN OF NEW WHITELAND
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

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

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Cumulative Fire	2008	<u>\$ 99,445</u>

IC 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."

CONDITION OF RECORDS - Payroll Withholding Funds

The following deficiency relating to the recordkeeping was present during the examination: Unidentified balances were allowed to remain and/or accumulate in various payroll withholding accounts.

Payroll deductions will be accumulated in the payroll withholding funds, and then disbursed from these funds at the proper time . . . no unidentified balance is allowed to accumulate in the payroll funds. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 3)

TOWN OF NEW WHITELAND
EXIT CONFERENCE

The contents of this report were discussed on November 1, 2010, with Maribeth Alspach, Clerk-Treasurer, and John Perrin, President of the Town Council. The official response has been made a part of this report and may be found on page 10.



TOWN OF NEW WHITELAND

401 Mooreland Drive · New Whiteland, IN 46184
(317) 535-9487 · Fax (317) 535-7889
www.townofnewwhiteland.com

November 3, 2010

State Board of Accounts
302 W. Washington Street, Room E 418
Indianapolis, IN 46204-2765

Re: "OFFICIAL RESPONSE"

To Whom It May Concern:

I would like to take this opportunity to respond to the examination results and comments from our 2008 – 2009 audits.

Appropriations

In 2008 we did a lease to buy agreement for a new fire engine. In an attempt to save money by reducing the amount of principal and interest we made a large down payment and failed to file for an additional appropriation. The funds were in our account but had not been appropriated in that fiscal year.

Condition of Records – Payroll Withholding Funds

The unidentified balances referred to in the comments are carried forward from a prior administration and a previous payroll clerk. The accumulated balances will be transferred to the General Fund per our discussion with Beth Goss prior to the end of 2010.

I would like to thank the State Board of Accounts people who worked on this audit for their kindness and professionalism during this audit.

Sincerely,

Maribeth Alspach
New Whiteland Clerk-Treasurer