

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

TOWN OF WHITESTOWN

BOONE COUNTY, INDIANA

January 1, 2011 to December 31, 2012



FILED

11/22/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Debra Zachelmeyer Amanda Andrews	01-01-08 to 12-31-11 01-01-12 to 12-31-15
Superintendent of Utilities	Jason Lawson	01-01-11 to 12-31-13
President of the Town Council	Dawn Semmler Julie Whitman	01-01-11 to 09-23-13 09-24-13 to 12-31-13



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF WHITESTOWN, BOONE COUNTY, INDIANA

We have examined the accompanying financial statement of the Town of Whitestown (Town), for the period of January 1, 2011 to December 31, 2012. The financial statement is the responsibility of the Town's management. Our responsibility is to express an opinion on the financial statement 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 statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Town prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

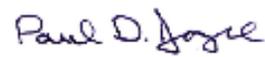
In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Town for the period of January 1, 2011 to December 31, 2012.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Town for the period of January 1, 2011 to December 31, 2012, on the basis of accounting described in Note 1.

INDEPENDENT ACCOUNTANT'S REPORT
(Continued)

Our examination was conducted for the purpose of forming an opinion on the Town's financial statement. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

The Town's response to the Examination Results and Comments identified in our examination is described in the accompanying section of the report entitled Official Response. We did not examine the Town's response and, accordingly, we express no opinion on it


Paul D. Joyce, CPA
State Examiner

September 30, 2013

FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the Town. The financial statement and notes are presented as intended by the Town.

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TOWN OF WHITESTOWN
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Years Ended December 31, 2011 And 2012

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11	Receipts	Disbursements	Cash and Investments 12-31-12
General Fund	\$ 467,212	\$ 3,675,858	\$ 3,574,474	\$ 568,596	\$ 3,021,216	\$ 3,221,749	\$ 368,063
Motor Vehicle Highway	129,298	927,735	675,596	381,437	1,148,007	415,607	1,113,837
Local Road And Street	54,158	25,907	26,669	53,396	26,888	-	80,284
Local Law Enforcement Continuing Education	5,748	7,703	3,400	10,051	3,775	2,781	11,045
Clerk's Record Perpetuation	5,549	1,891	-	7,440	350	-	7,790
(Police) Deferral	14,296	23,263	23,273	14,286	20,125	12,836	21,575
User Fee Fund	349	-	-	349	-	-	349
Fire Department	108,076	1,397,353	1,307,368	198,061	1,616,802	1,449,376	365,487
Rainy Day Fund	53,116	100,000	-	153,116	451,065	-	604,181
Levy Excess Fund	1,392	-	-	1,392	-	-	1,392
Federal Drug Seized Monies	3,722	36,274	1,118	38,878	-	14,490	24,388
Cumulative Capital Development	31,350	71,469	52,677	50,142	81,013	53,026	78,129
Park Nonreverting Capital	5,094	-	10	5,084	-	40	5,044
Redevelopment Commission Fund	415,212	33,043	359,492	88,763	1,259,623	570,942	777,444
Cumulative Capital Improvement	92	1,353	-	1,445	7,604	-	9,049
Law Enforcement Grant Fund	4,268	-	4,191	77	291	-	368
Court Cost Due County	434	5,138	-	5,572	406	-	5,978
Police Donations	2,834	6,809	5,834	3,809	4,279	5,610	2,478
Fire Acquisition Payment	26,905	92,873	72,000	47,778	90,134	127,100	10,812
Park And Recreation	20,561	31,355	35,557	16,359	82,092	28,449	70,002
Net Payroll Fund	3,030	1,894,032	1,894,032	3,030	2,225,553	2,215,778	12,805
Town Court	36,901	141,016	174,404	3,513	67,245	68,880	1,878
Wastewater Operating	158,833	1,999,625	1,867,582	290,876	2,218,848	2,038,938	470,786
Wastewater Bond And Interest	40,246	124,974	19,681	145,539	125,684	226,340	44,883
Wastewater Depreciation	214,589	137,771	111,892	240,468	190,000	97,992	332,476
Wastewater Capacity	2,690,060	491,693	94,600	3,087,153	1,049,004	409,343	3,726,814
Wastewater 2007 Ban	260,567	130	-	260,697	120	260,817	-
Wastewater 2005 SRF Reserve	381,074	39	-	381,113	39	-	381,152
Wastewater Sewer Trust	647,091	67	-	647,158	67	-	647,225
Wastewater 2009 SRF Bond And Interest	18,181	233,114	50,521	200,774	234,207	402,337	32,644
Wastewater SWAF Bond And Interest	15,109	17,872	17,468	15,513	17,873	17,241	16,145
Wastewater Jr Bans	118	-	118	-	-	-	-
Water Operating	212,024	1,710,433	1,564,734	357,723	2,122,953	1,993,781	486,895
Water Depreciation	195,060	93,333	32,134	256,259	226,667	284,251	198,675
Water Capacity Fund	53,971	107,594	1,300	160,265	73,048	-	233,313
Water 2005 SRF Reserve	412,380	42	-	412,422	43	-	412,465
Water Trust	238,502	25	-	238,527	25	-	238,552
Water 2005 SRF Bond And Interest	7,777	82,323	16,160	73,940	82,748	148,904	7,784
Water 2009 SRF Bond And Interest	14,510	229,790	50,703	193,597	230,650	402,884	21,363
Water 2010 SRF Bond And Interest	30,790	89,566	18,256	102,100	80,695	144,844	37,951
Water Jr Ban Bond And Interest	14	-	14	-	-	-	-
Water SWAF Bond And Interest	5,966	10,428	10,554	5,840	10,415	10,554	5,701
Totals	\$ 6,986,459	\$ 13,801,891	\$ 12,065,812	\$ 8,722,538	\$ 16,769,554	\$ 14,624,890	\$ 10,867,202

The notes to the financial statement are an integral part of this statement.

TOWN OF WHITESTOWN
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Town was established under the laws of the State of Indiana. The Town operates under a Town Council form of government and provides some or all of the following services: public safety (police and fire), highways and streets, culture and recreation, public improvements, planning and zoning, general administrative services, water, and wastewater.

The accompanying financial statement presents the financial information for the Town.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Town.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state,

TOWN OF WHITESTOWN
NOTES TO FINANCIAL STATEMENT
(Continued)

local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Penalties which include fees received for late payments.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the Town. It includes all expenditures for the reduction of the principal and interest of the Town's general obligation indebtedness.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

TOWN OF WHITESTOWN
NOTES TO FINANCIAL STATEMENT
(Continued)

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The Town may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the Town. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Town. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Town in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Town submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Town in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

TOWN OF WHITESTOWN
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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 statutes authorize 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.

Note 5. Risk Management

The Town may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Town to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is 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 Indiana Public Retirement System (INPRS) 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 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS 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:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

TOWN OF WHITESTOWN
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

B. 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

INPRS 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:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy

The contribution requirements of plan members and the Town are established by the Board of Trustees of INPRS.

Note 7. Holding Corporation

The Town has entered into a capital lease with the Whitestown Municipal Facilities Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the Town. The lessor has been determined to be a related party of the Town. Lease payments during the years 2011 and 2012 totaled \$72,000 and \$61,100, respectively.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Reports of the Town which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the Town. It is presented as intended by the Town.

TOWN OF WHITESTOWN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	General Fund	Motor Vehicle Highway	Local Road And Street	Local Law Enforcement Continuing Education	Clerk's Record Perpetuation	(Police) Deferral	User Fee Fund	Fire Department	Rainy Day Fund
Cash and investments - beginning	\$ 467,212	\$ 129,298	\$ 54,158	\$ 5,748	\$ 5,549	\$ 14,296	\$ 349	\$ 108,076	\$ 53,116
Receipts:									
Taxes	1,228,347	-	-	-	-	-	-	1,065,231	-
Licenses and permits	10,320	-	-	700	-	-	-	-	-
Intergovernmental	1,232,821	856,812	25,907	-	-	-	-	39,581	-
Charges for services	154,954	-	-	-	-	-	-	209,890	-
Fines and forfeits	46,394	-	-	-	1,891	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Other receipts	1,003,022	70,923	-	7,003	-	23,263	-	82,651	100,000
Total receipts	3,675,858	927,735	25,907	7,703	1,891	23,263	-	1,397,353	100,000
Disbursements:									
Personal services	1,083,650	18,360	-	-	-	-	-	924,827	-
Supplies	133,016	17,146	-	-	-	-	-	51,683	-
Other services and charges	827,694	500,247	26,669	3,400	-	-	-	289,557	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-
Capital outlay	41,769	139,843	-	-	-	-	-	41,301	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	1,488,345	-	-	-	-	23,273	-	-	-
Total disbursements	3,574,474	675,596	26,669	3,400	-	23,273	-	1,307,368	-
Excess (deficiency) of receipts over disbursements	101,384	252,139	(762)	4,303	1,891	(10)	-	89,985	100,000
Cash and investments - ending	\$ 568,596	\$ 381,437	\$ 53,396	\$ 10,051	\$ 7,440	\$ 14,286	\$ 349	\$ 198,061	\$ 153,116

TOWN OF WHITESTOWN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Levy Excess Fund	Federal Drug Seized Monies	Cumulative Capital Development	Park Nonreverting Capital	Redevelopment Commission Fund	Cumulative Capital Improvement	Law Enforcement Grant Fund	Court Cost Due County	Police Donations
Cash and investments - beginning	\$ 1,392	\$ 3,722	\$ 31,350	\$ 5,094	\$ 415,212	\$ 92	\$ 4,268	\$ 434	\$ 2,834
Receipts:									
Taxes	-	-	68,540	-	-	-	-	-	
Licenses and permits	-	-	-	-	-	-	-	-	
Intergovernmental	-	-	2,929	-	-	1,353	-	-	
Charges for services	-	-	-	-	-	-	-	-	
Fines and forfeits	-	-	-	-	-	-	5,138	-	
Utility fees	-	-	-	-	-	-	-	-	
Other receipts	-	36,274	-	-	33,043	-	-	6,809	
Total receipts	-	36,274	71,469	-	33,043	1,353	-	5,138	6,809
Disbursements:									
Personal services	-	-	-	-	-	-	-	-	
Supplies	-	-	-	-	-	-	-	-	
Other services and charges	-	-	-	-	-	-	4,191	-	
Debt service - principal and interest	-	-	-	-	-	-	-	-	
Capital outlay	-	-	52,677	10	-	-	-	-	
Utility operating expenses	-	-	-	-	-	-	-	-	
Other disbursements	-	1,118	-	-	359,492	-	-	5,834	
Total disbursements	-	1,118	52,677	10	359,492	-	4,191	-	5,834
Excess (deficiency) of receipts over disbursements	-	35,156	18,792	(10)	(326,449)	1,353	(4,191)	5,138	975
Cash and investments - ending	<u>\$ 1,392</u>	<u>\$ 38,878</u>	<u>\$ 50,142</u>	<u>\$ 5,084</u>	<u>\$ 88,763</u>	<u>\$ 1,445</u>	<u>\$ 77</u>	<u>\$ 5,572</u>	<u>\$ 3,809</u>

TOWN OF WHITESTOWN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Fire Acquisition Payment	Park And Recreation	Net Payroll Fund	Town Court	Wastewater Operating	Wastewater Bond And Interest	Wastewater Depreciation	Wastewater Capacity	Wastewater 2007 Ban
Cash and investments - beginning	\$ 26,905	\$ 20,561	\$ 3,030	\$ 36,901	\$ 158,833	\$ 40,246	\$ 214,589	\$ 2,690,060	\$ 260,567
Receipts:									
Taxes	92,873	25,975	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	1,173	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	141,016	-	-	-	-	-
Utility fees	-	-	-	-	1,999,490	-	-	491,693	-
Other receipts	-	4,207	1,894,032	-	135	124,974	137,771	-	130
Total receipts	<u>92,873</u>	<u>31,355</u>	<u>1,894,032</u>	<u>141,016</u>	<u>1,999,625</u>	<u>124,974</u>	<u>137,771</u>	<u>491,693</u>	<u>130</u>
Disbursements:									
Personal services	-	6,180	-	-	-	-	-	-	-
Supplies	-	3,086	-	-	-	-	-	-	-
Other services and charges	2,364	13,138	-	-	-	-	-	-	-
Debt service - principal and interest	69,636	-	-	-	-	-	-	-	-
Capital outlay	-	13,153	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	1,315,989	-	-	-	-
Other disbursements	-	-	1,894,032	174,404	551,593	19,681	111,892	94,600	-
Total disbursements	<u>72,000</u>	<u>35,557</u>	<u>1,894,032</u>	<u>174,404</u>	<u>1,867,582</u>	<u>19,681</u>	<u>111,892</u>	<u>94,600</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>20,873</u>	<u>(4,202)</u>	<u>-</u>	<u>(33,388)</u>	<u>132,043</u>	<u>105,293</u>	<u>25,879</u>	<u>397,093</u>	<u>130</u>
Cash and investments - ending	<u>\$ 47,778</u>	<u>\$ 16,359</u>	<u>\$ 3,030</u>	<u>\$ 3,513</u>	<u>\$ 290,876</u>	<u>\$ 145,539</u>	<u>\$ 240,468</u>	<u>\$ 3,087,153</u>	<u>\$ 260,697</u>

TOWN OF WHITESTOWN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Wastewater 2005 SRF Reserve	Wastewater Sewer Trust	Wastewater 2009 SRF Bond And Interest	Wastewater SWAF Bond And Interest	Wastewater Jr Bans	Water Operating	Water Depreciation	Water Capacity Fund
Cash and investments - beginning	\$ 381,074	\$ 647,091	\$ 18,181	\$ 15,109	\$ 118	\$ 212,024	\$ 195,060	\$ 53,971
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	1,380,078	-	106,226
Other receipts	39	67	233,114	17,872	-	330,355	93,333	1,368
Total receipts	39	67	233,114	17,872	-	1,710,433	93,333	107,594
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	1,005,125	-	-
Other disbursements	-	-	50,521	17,468	118	559,609	32,134	1,300
Total disbursements	-	-	50,521	17,468	118	1,564,734	32,134	1,300
Excess (deficiency) of receipts over disbursements	39	67	182,593	404	(118)	145,699	61,199	106,294
Cash and investments - ending	<u>\$ 381,113</u>	<u>\$ 647,158</u>	<u>\$ 200,774</u>	<u>\$ 15,513</u>	<u>\$ -</u>	<u>\$ 357,723</u>	<u>\$ 256,259</u>	<u>\$ 160,265</u>

TOWN OF WHITESTOWN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Water 2005 SRF Reserve	Water Trust	Water 2005 SRF Bond And Interest	Water 2009 SRF Bond And Interest	Water 2010 SRF Bond And Interest	Water Jr Ban Bond And Interest	Water SWAF Bond And Interest	Totals
Cash and investments - beginning	\$ 412,380	\$ 238,502	\$ 7,777	\$ 14,510	\$ 30,790	\$ 14	\$ 5,966	\$ 6,986,459
Receipts:								
Taxes	-	-	-	-	-	-	-	2,480,966
Licenses and permits	-	-	-	-	-	-	-	11,020
Intergovernmental	-	-	-	-	-	-	-	2,160,576
Charges for services	-	-	-	-	-	-	-	364,844
Fines and forfeits	-	-	-	-	-	-	-	194,439
Utility fees	-	-	-	-	-	-	-	3,977,487
Other receipts	42	25	82,323	229,790	89,566	-	10,428	4,612,559
Total receipts	42	25	82,323	229,790	89,566	-	10,428	13,801,891
Disbursements:								
Personal services	-	-	-	-	-	-	-	2,033,017
Supplies	-	-	-	-	-	-	-	204,931
Other services and charges	-	-	-	-	-	-	-	1,667,260
Debt service - principal and interest	-	-	-	-	-	-	-	69,636
Capital outlay	-	-	-	-	-	-	-	288,753
Utility operating expenses	-	-	-	-	-	-	-	2,321,114
Other disbursements	-	-	16,160	50,703	18,256	14	10,554	5,481,101
Total disbursements	-	-	16,160	50,703	18,256	14	10,554	12,065,812
Excess (deficiency) of receipts over disbursements	42	25	66,163	179,087	71,310	(14)	(126)	1,736,079
Cash and investments - ending	\$ 412,422	\$ 238,527	\$ 73,940	\$ 193,597	\$ 102,100	\$ -	\$ 5,840	\$ 8,722,538

TOWN OF WHITESTOWN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012

	General Fund	Motor Vehicle Highway	Local Road And Street	Local Law Enforcement Continuing Education	Clerk's Record Perpetuation	(Police) Deferral	User Fee Fund	Fire Department	Rainy Day Fund
Cash and investments - beginning	\$ 568,596	\$ 381,437	\$ 53,396	\$ 10,051	\$ 7,440	\$ 14,286	\$ 349	\$ 198,061	\$ 153,116
Receipts:									
Taxes	627,179	1,041,154	7,625	1,285	-	-	-	1,121,839	-
Licenses and permits	4	-	-	2,490	-	-	-	-	-
Intergovernmental	1,721,493	106,853	-	-	-	-	-	113,933	-
Charges for services	335,606	-	-	-	350	-	-	368,084	-
Fines and forfeits	12,431	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-
Other receipts	324,503	-	19,263	-	-	20,125	-	12,946	451,065
Total receipts	3,021,216	1,148,007	26,888	3,775	350	20,125	-	1,616,802	451,065
Disbursements:									
Personal services	1,187,627	40,488	-	-	-	-	-	1,071,876	-
Supplies	149,612	92,055	-	-	-	-	-	87,854	-
Other services and charges	1,371,457	156,862	-	2,781	-	12,836	-	185,133	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-
Capital outlay	64,882	126,202	-	-	-	-	-	79,019	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	448,171	-	-	-	-	-	-	25,494	-
Total disbursements	3,221,749	415,607	-	2,781	-	12,836	-	1,449,376	-
Excess (deficiency) of receipts over disbursements	(200,533)	732,400	26,888	994	350	7,289	-	167,426	451,065
Cash and investments - ending	\$ 368,063	\$ 1,113,837	\$ 80,284	\$ 11,045	\$ 7,790	\$ 21,575	\$ 349	\$ 365,487	\$ 604,181

TOWN OF WHITESTOWN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Levy Excess Fund	Federal Drug Seized Monies	Cumulative Capital Development	Park Nonreverting Capital	Redevelopment Commission Fund	Cumulative Capital Improvement	Law Enforcement Grant Fund	Court Cost Due County	Police Donations
Cash and investments - beginning	\$ 1,392	\$ 38,878	\$ 50,142	\$ 5,084	\$ 88,763	\$ 1,445	\$ 77	\$ 5,572	\$ 3,809
Receipts:									
Taxes	-	-	77,401	-	1,172,565	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	3,612	-	-	7,604	291	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	87,058	-	-	406	4,279
Total receipts	-	-	81,013	-	1,259,623	7,604	291	406	4,279
Disbursements:									
Personal services	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-
Other services and charges	-	14,490	-	-	2,422	-	-	-	5,610
Debt service - principal and interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	53,026	-	1,750	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	40	566,770	-	-	-	-
Total disbursements	-	14,490	53,026	40	570,942	-	-	-	5,610
Excess (deficiency) of receipts over disbursements	-	(14,490)	27,987	(40)	688,681	7,604	291	406	(1,331)
Cash and investments - ending	\$ 1,392	\$ 24,388	\$ 78,129	\$ 5,044	\$ 777,444	\$ 9,049	\$ 368	\$ 5,978	\$ 2,478

TOWN OF WHITESTOWN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Fire Acquisition Payment	Park And Recreation	Net Payroll Fund	Town Court	Wastewater Operating	Wastewater Bond And Interest	Wastewater Depreciation	Wastewater Capacity
Cash and investments - beginning	\$ 47,778	\$ 16,359	\$ 3,030	\$ 3,513	\$ 290,876	\$ 145,539	\$ 240,468	\$ 3,087,153
Receipts:								
Taxes	86,079	25,645	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	4,000	51,090	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	67,245	-	-	-	-
Utility fees	-	-	-	-	2,038,566	-	-	1,031,373
Penalties	-	-	-	-	-	-	-	-
Other receipts	55	5,357	2,225,553	-	180,282	125,684	190,000	17,631
Total receipts	<u>90,134</u>	<u>82,092</u>	<u>2,225,553</u>	<u>67,245</u>	<u>2,218,848</u>	<u>125,684</u>	<u>190,000</u>	<u>1,049,004</u>
Disbursements:								
Personal services	-	10,581	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	1,700	17,868	-	-	-	-	-	-
Debt service - principal and interest	125,400	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	1,671,651	-	58,042	408,463
Other disbursements	-	-	2,215,778	68,880	367,287	226,340	39,950	880
Total disbursements	<u>127,100</u>	<u>28,449</u>	<u>2,215,778</u>	<u>68,880</u>	<u>2,038,938</u>	<u>226,340</u>	<u>97,992</u>	<u>409,343</u>
Excess (deficiency) of receipts over disbursements	<u>(36,966)</u>	<u>53,643</u>	<u>9,775</u>	<u>(1,635)</u>	<u>179,910</u>	<u>(100,656)</u>	<u>92,008</u>	<u>639,661</u>
Cash and investments - ending	<u>\$ 10,812</u>	<u>\$ 70,002</u>	<u>\$ 12,805</u>	<u>\$ 1,878</u>	<u>\$ 470,786</u>	<u>\$ 44,883</u>	<u>\$ 332,476</u>	<u>\$ 3,726,814</u>

TOWN OF WHITESTOWN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Wastewater 2007 Ban	Wastewater 2005 SRF Reserve	Wastewater Sewer Trust	Wastewater 2009 SRF Bond And Interest	Wastewater SWAF Bond And Interest	Wastewater Jr Bans	Water Operating	Water Depreciation
Cash and investments - beginning	\$ 260,697	\$ 381,113	\$ 647,158	\$ 200,774	\$ 15,513	\$ -	\$ 357,723	\$ 256,259
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	1,862,174	-
Penalties	-	-	-	-	-	-	6,537	-
Other receipts	120	39	67	234,207	17,873	-	254,242	226,667
Total receipts	120	39	67	234,207	17,873	-	2,122,953	226,667
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	1,505,365	72,407
Other disbursements	260,817	-	-	402,337	17,241	-	488,416	211,844
Total disbursements	260,817	-	-	402,337	17,241	-	1,993,781	284,251
Excess (deficiency) of receipts over disbursements	(260,697)	39	67	(168,130)	632	-	129,172	(57,584)
Cash and investments - ending	\$ -	\$ 381,152	\$ 647,225	\$ 32,644	\$ 16,145	\$ -	\$ 486,895	\$ 198,675

TOWN OF WHITESTOWN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Water Capacity Fund	Water 2005 SRF Reserve	Water Trust	Water 2005 SRF Bond And Interest	Water 2009 SRF Bond And Interest	Water 2010 SRF Bond And Interest	Water SWAF Bond And Interest	Totals
Cash and investments - beginning	\$ 160,265	\$ 412,422	\$ 238,527	\$ 73,940	\$ 193,597	\$ 102,100	\$ 5,840	\$ 8,722,538
Receipts:								
Taxes	-	-	-	-	-	-	-	4,160,772
Licenses and permits	-	-	-	-	-	-	-	2,494
Intergovernmental	-	-	-	-	-	-	-	2,008,876
Charges for services	-	-	-	-	-	-	-	704,040
Fines and forfeits	-	-	-	-	-	-	-	79,676
Utility fees	72,954	-	-	-	-	-	-	5,005,067
Penalties	-	-	-	-	-	-	-	6,537
Other receipts	94	43	25	82,748	230,650	80,695	10,415	4,802,092
Total receipts	<u>73,048</u>	<u>43</u>	<u>25</u>	<u>82,748</u>	<u>230,650</u>	<u>80,695</u>	<u>10,415</u>	<u>16,769,554</u>
Disbursements:								
Personal services	-	-	-	-	-	-	-	2,310,572
Supplies	-	-	-	-	-	-	-	329,521
Other services and charges	-	-	-	-	-	-	-	1,771,159
Debt service - principal and interest	-	-	-	-	-	-	-	125,400
Capital outlay	-	-	-	-	-	-	-	324,879
Utility operating expenses	-	-	-	-	-	-	-	3,715,928
Other disbursements	-	-	-	148,904	402,884	144,844	10,554	6,047,431
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>148,904</u>	<u>402,884</u>	<u>144,844</u>	<u>10,554</u>	<u>14,624,890</u>
Excess (deficiency) of receipts over disbursements	<u>73,048</u>	<u>43</u>	<u>25</u>	<u>(66,156)</u>	<u>(172,234)</u>	<u>(64,149)</u>	<u>(139)</u>	<u>2,144,664</u>
Cash and investments - ending	<u>\$ 233,313</u>	<u>\$ 412,465</u>	<u>\$ 238,552</u>	<u>\$ 7,784</u>	<u>\$ 21,363</u>	<u>\$ 37,951</u>	<u>\$ 5,701</u>	<u>\$ 10,867,202</u>

TOWN OF WHITESTOWN
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2012

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ 1,658,391	\$ -
Wastewater	60,968	40,698
Water	196,894	20,242
Totals	\$ 1,916,253	\$ 60,940

TOWN OF WHITESTOWN
SCHEDULE OF LEASES AND DEBT
December 31, 2012

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Whitestown Municipal Facilities Building Corporation	Fire Acquisition	\$ 127,100	08-15-11	02-15-26
Total of annual lease payments		<u>\$ 127,100</u>		
Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year	
Governmental activities:				
Revenue bonds	Economic Development Tax Increment Revenue Bonds Series 2010A	\$ 10,475,000	\$ 804,125	
Revenue bonds	Taxable Jr. Economic Development Tax Increment Revenue Bonds Series 2010 B	4,720,000	120,000	
Revenue bonds	Taxable Jr. Economic Development Tax Increment Revenue Bonds Series 2010 C	<u>5,525,000</u>	<u>-</u>	
Total governmental activities		<u>20,720,000</u>	<u>924,125</u>	
Wastewater:				
Revenue bonds	Wastewater Revenue Bonds Series 1997	148,632	17,650	
Revenue bonds	Wastewater Revenue Bonds Series 2005	1,506,000	124,485	
Revenue bonds	Wastewater Revenue Bonds Series 2009	<u>2,970,000</u>	<u>231,780</u>	
Total Wastewater		<u>4,624,632</u>	<u>373,915</u>	
Water:				
Revenue bonds	Waterworks Revenue Bonds Series 2010	1,295,000	87,448	
Revenue bonds	Waterworks Revenue Bonds Series 2009A	2,915,000	229,895	
Revenue bonds	Waterworks Revenue Bonds Series 2005	976,000	81,925	
Revenue bonds	Waterworks Revenue Bonds Series 1997	<u>80,292</u>	<u>10,419</u>	
Total Water		<u>5,266,292</u>	<u>409,687</u>	
Totals		<u>\$ 30,610,924</u>	<u>\$ 1,707,727</u>	

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TOWN OF WHITESTOWN
SCHEDULE OF CAPITAL ASSETS
December 31, 2012

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Infrastructure	\$ 338,616
Buildings	285,399
Improvements other than buildings	24,850
Machinery, equipment, and vehicles	943,711
Books and other	1,513,800
Total governmental activities	3,106,376
Wastewater:	
Land	710,481
Infrastructure	18,055,154
Buildings	2,810
Machinery, equipment, and vehicles	547,431
Construction in progress	1,902,654
Total Wastewater	21,218,530
Water:	
Land	384,365
Infrastructure	11,932,680
Machinery, equipment, and vehicles	561,290
Construction in progress	2,979,838
Total Water	15,858,173
Total capital assets	\$ 40,183,079

TOWN OF WHITESTOWN
OTHER REPORT

The report presented herein was prepared in addition to the other official report prepared for the individual Town office listed below:

Town Court

TOWN OF WHITESTOWN
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORT

The Annual Report for 2011 contained errors and did not properly reflect the financial activity of the Town of Whitestown. Cash balances as shown on the Annual Report for the Water Utility Operating and Depreciation Funds and Wastewater Utility Operating and Depreciation Funds at December 31, 2011, were incorrect. In addition, two Certificates of Deposits invested from Wastewater Utility Debt Service Reserve Funds were not shown on the Annual Report at December 31, 2011.

Indiana Code 5-11-1-4(a) 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."

CONDITION OF RECORDS

The records presented for audit contained numerous deficiencies relating to recordkeeping. Some of the deficiencies include:

1. Posting errors. Several disbursements were posted twice to the Town's records.
2. Checks not recorded in the proper amounts.
3. One check issued to a vendor cleared the bank, but was then subsequently voided on the records.
4. Transactions recorded as "negative" receipts and disbursements.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were conducted; however, the reconciliations contained errors. The Town converted to a different accounting software in June of 2012. During this conversion process, adjustments were made to the bank reconciliation that could not be documented. For the reconciled bank balances to be in agreement with the Town and utility ledger balances, several adjustments will have to be made to the records. The Clerk-Treasurer is currently working with the Town's financial consultant in making these adjustments.

Indiana Code 5-13-6-1(e) states: "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."

TOWN OF WHITESTOWN
EXAMINATION RESULTS AND COMMENTS
(Continued)

REMITTANCE OF COURT COSTS AND FEES

The Town Court Clerk remitted court costs and fees to the Town of Whitestown on a timely basis during the examination period; however, the Clerk-Treasurer failed to remit the county portion of these court costs and fees to the Boone County Auditor, for the months of April 2011 through December 2011, as well as for the months of April 2012 and November 2012.

Indiana Code 33-37-7-8 states in part:

"(a) The clerk of a city or town court shall distribute semiannually to the auditor of state as the state share for deposit in the homeowner protection unit account established by IC 4-6-12-9 one hundred percent (100%) of the automated record keeping fees collected . . .

(b) The city or town fiscal officer shall distribute monthly to the county auditor as the county share twenty percent (20%) of the amount of fees collected . . .

(c) The city or town fiscal officer shall retain twenty-five percent (25%) as the city or town share of the fees collected . . .

(d) The clerk of a city or town court shall distribute semiannually to the auditor of state for deposit in the state user fee fund established in IC 33-37-9 . . .

(e) The clerk of a city or town court shall distribute monthly to the county auditor . . .

(f) The clerk of a city or town court shall distribute monthly to the city or town fiscal officer (as defined in IC 36-1-2-7) one hundred percent (100%) of the following:

(1) The late payment fees collected under IC 33-37-5-22.

(2) The small claims service fee collected under IC 33-37-4-6(a)(1)(B) or IC 33-37-4-6(a)(2).

(3) The small claims garnishee service fee collected under IC 33-37-4-6(a)(1)(C) or IC 33-37-4-6(a)(3). . . .

(g) The clerk of a city or town court shall semiannually distribute to the auditor of state for deposit in the state general fund one hundred percent (100%) of the following:

(1) The public defense administration fee collected under IC 33-37-5-21.2.

(2) The DNA sample processing fees collected under IC 33-37-5-26.2.

(3) The court administration fees collected under IC 33-37-5-27.

(h) The clerk of a city or town court shall semiannually distribute to the auditor of state for deposit in the judicial branch insurance adjustment account established by IC 33-38-5-8.2 one hundred percent (100%) of the judicial insurance adjustment fee collected . . .

TOWN OF WHITESTOWN
EXAMINATION RESULTS AND COMMENTS
(Continued)

(i) The clerk of a city or town court shall semiannually distribute to the auditor of state for deposit in the state general fund seventy-five percent (75%) of the judicial salaries fee collected under IC 33-37-5-26. The city or town fiscal officer shall retain twenty-five percent (25%) of the judicial salaries fee collected under IC 33-37-5-26. . . .

(j) The clerk of a city or town court shall distribute semiannually to the auditor of state one hundred percent (100%) of the pro bono legal fees collected before July 1, 2017, under IC 33-37-5-31. . . ."

PENALTIES, INTEREST, AND OTHER CHARGES (Applies to Utilities)

The Water Utility paid penalties, interest, and other charges to the Indiana Department of Revenue in the amount of \$602.38 because the Water Utility did not remit payments of 2011 utility receipts tax on a timely basis.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

PENALTIES, INTEREST, AND OTHER CHARGES (Applies to Town)

The Town paid finance charges to M & I Bank in the amount of \$313.90 in 2011 because the Town did not remit payments on a timely basis.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF WHITESTOWN
EXAMINATION RESULTS AND COMMENTS
(Continued)

CREDIT CARDS

We noted instances in 2012 where credit card payments were made from statements without the detailed invoices or other supporting documentation which would substantiate the charges made on the statements.

To review credit card statements for 2011, we had to contact the bank to obtain copies of the statements. At times during 2011, the detailed invoices were used to make payments to the credit card company but were not reconciled to the credit card statement.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

1. The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
2. Issuance and use should be handled by an official or employee designated by the board.
3. The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
4. When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
5. The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
6. Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
7. Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
8. If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF WHITESTOWN
EXIT CONFERENCE

The contents of this report were discussed on October 28, 2013, with Debra Zachelmeyer, former Clerk-Treasurer.

The contents of this report were discussed on November 5, 2013, with Amanda Andrews, Clerk-Treasurer; Johnetta Wills, Town Court Clerk; and Julie Whitman, President of the Town Council. The Official Response has been made a part of this report and may be found on pages 34 through 36.



WHITESTOWN TOWN HALL

6320 S. Cozy Lane WHITESTOWN, IN 46075
317-769-6557 317-769-6871 Fax

November 13th, 2013

Indiana State Board of Accounts
2011-2012 Audit Exit Conference Response
Town of Whitestown, Indiana

The Town of Whitestown ("Town") wishes to formally respond to the audit comments presented to the Town at a November, 5th, 2013 meeting with SBOA auditors.

The Town notes at the outset that it is pleased to learn that, for the third consecutive audit, the SBOA has found no problems or exceptions with the Town's financial statements, and the Town has received an unqualified opinion report. This type of report is issued by an auditor when the financial statements presented are free of material misstatements and are represented fairly in accordance with General Accounting Principles (GAAP), and it is the best type of report the Town may receive from an auditor. As with any community, the SBOA has also identified, through report comments, areas in which the Town may improve. The Town takes these comments seriously, and is committed to continuing to improve its financial operations and practices. Indeed, many of the SBOA comments were related to events that occurred prior to the current Clerk-Treasurer taking office in 2012, and have already been corrected.

With respect to the specific comments provided by the SBOA, the Town responds as follows:

ANNUAL REPORT:

The annual report as of 12/31/2011 had cash balance discrepancies between the Wastewater Operating and Wastewater Depreciation Fund and the Water Operating and Water Depreciation Fund. These discrepancies were caused by reimbursement transfers between the two funds at the end of the 2011. The combined cash balances for both utilities Operating & Depreciation Funds were accurate, however the transfers caused a discrepancy between the Operating and Depreciation Funds. These issues were corrected in the financial statements ended 12/31/2012.

CONDITION OF RECORDS:

1. Posting Entries
2. Checks not recorded in the proper amounts
3. One check issued and voided, which subsequently cleared
4. Transactions recorded as "Negative" receipts and disbursements

Posting entries noted in the Condition of Records section of the audit report mainly stem from software training issues and have since been corrected. The Town converted to a new software system in which

users of the system have been fully trained to ensure errors similar to those outlined in the Condition of Records section of the audit are eliminated and not repeated in the future.

BANK ACCOUNT RECONCILIATIONS:

Subsequent to the Town's conversion of the accounting system and after the audit exit conference between the Town and State Board of Accounts field representatives, all outstanding bank reconciliation adjustments have been identified and posted to the accounting system. With the reconciliation adjustments posted, the new accounting system operating, and users of the system fully trained, bank reconciliation comments should be eliminated moving forward.

REMITTANCE OF COURT COSTS AND FEES:

All past due court costs and fees due to the Boone County Auditor have been remitted and steps have been put in place with the Town Court Clerk and Town Clerk-Treasurer to eliminate these comments in the future.

PENALTIES, INTEREST AND OTHER CHARGES (applied to Utilities)

Penalties and interest charges were paid for the 2011 utility receipts tax for 2011. The town has been in contact with the Indiana Department of Revenue to correct and eliminate the issues relating to the URT penalties going forward.

PENALTIES, INTEREST AND OTHER CHARGES (applied to Utilities)

The town paid finance charges to M&I Bank in 2011 because payment remittance was not made on a timely basis. Since 2012, no additional credit card finance charges have been incurred and new internal controls over credit card processing and payments have been effective in eliminating credit card fees.

CREDIT CARDS

Since 2012, the credit card statements and reporting standards in place have vastly improved and all credit card expenditures and receipts are accounted for and reconciled for every purchase on a monthly basis. Additionally, there have been no credit card finance charges since the Town implemented stronger internal controls over credit card receipt and payment management.

Please note that 2011 was an election year and the town had a change in Clerk-Treasurer between the two years that were subject to this audit. The current Clerk-Treasurer has been in office since January 2012.

Respectfully,



Amanda Andrews
Whitestown Clerk Treasurer



WHITESTOWN TOWN COURT

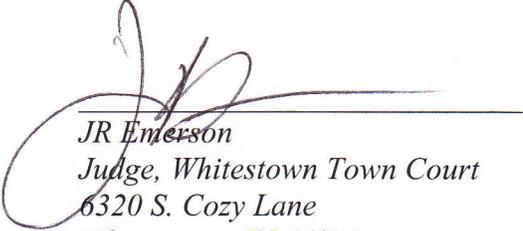
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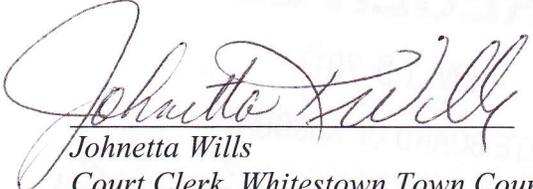
November, 12, 2013

During the Indiana State Board of Accounts audit of the Whitestown Town Court in 2013 some issues were brought to the Court's attention.

In an effort to rectify these issues the court will take the following steps:

- 1. Daily Bank Deposits. The Court will ensure to sign-in and sign-out of Keystone on a daily basis and to make daily bank deposits.*
- 2. Cash Balance Ledger. The Court will contact Keystone in an attempt to learn if there is an update which might resolve this issue (Keystone does not keep an accurate cash ledger balance). Additionally, the Court will work with Reedy Financial Group to create its own ledger.*


JR Emerson
Judge, Whitestown Town Court
6320 S. Cozy Lane
Whitestown, IN 46075


Johnetta Wills
Court Clerk, Whitestown Town Court
6320 S. Cozy Lane
Whitestown, IN 46075