

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
WHITEWATER TOWNSHIP
FRANKLIN COUNTY, INDIANA
January 1, 2002 to December 31, 2005



FILED
08/30/2006

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report	3
Schedules of Receipts, Disbursements, and Cash and Investment Balances.....	4
Notes to Schedules	5
Examination Results and Comments:	
Official Bond	6
Appropriations.....	6
Penalties, Interest and Other Charges	6
Advance Payments	7
Contracts	7
Bank Account Reconciliations	7
Exit Conference.....	8

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Roy N. Hall	01-01-99 to 12-31-06
Chairman of the Township Board	George Lyons Mary Anne Cookendorfer	01-01-02 to 12-31-03 01-01-04 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF WHITEWATER TOWNSHIP, FRANKLIN COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Whitewater Township (Township), for the period of January 1, 2002 to December 31, 2005. The Township's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2002, 2003, 2004, and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 3, 2006

WHITEWATER TOWNSHIP, FRANKLIN COUNTY
 SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
 ALL GOVERNMENTAL FUND TYPES
 As Of And For The Years Ended December 31, 2002, 2003, 2004, And 2005

	Cash and Investments 01-01-02	Receipts	Disbursements	Cash and Investments 12-31-02
Governmental Funds:				
General	\$ 25,783	\$ 45,385	\$ 13,501	\$ 57,667
Dog	452	401	253	600
Township Assistance	5,070	3,919	5,839	3,150
Firefighting	3,439	21,693	22,100	3,032
Cemetery	183	6,585	4,208	2,560
Levy Excess	1,182	-	-	1,182
Totals	<u>\$ 36,109</u>	<u>\$ 77,983</u>	<u>\$ 45,901</u>	<u>\$ 68,191</u>

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 57,667	\$ 23,461	\$ 22,042	\$ 59,086
Dog	600	326	300	626
Township Assistance	3,150	8,056	8,062	3,144
Firefighting	3,032	11,676	12,683	2,025
Cemetery	2,560	3,106	4,221	1,445
Levy Excess	1,182	844	-	2,026
Totals	<u>\$ 68,191</u>	<u>\$ 47,469</u>	<u>\$ 47,308</u>	<u>\$ 68,352</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 59,086	\$ 21,021	\$ 20,542	\$ 59,565
Dog	626	290	850	66
Township Assistance	3,144	10,192	6,259	7,077
Firefighting	2,025	28,664	29,400	1,289
Cemetery	1,445	3,957	4,100	1,302
Levy Excess	2,026	-	-	2,026
Totals	<u>\$ 68,352</u>	<u>\$ 64,124</u>	<u>\$ 61,151</u>	<u>\$ 71,325</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 59,565	\$ 23,620	\$ 34,651	\$ 48,534
Dog	66	364	130	300
Township Assistance	7,077	8,382	10,433	5,026
Firefighting	1,289	42,967	35,900	8,356
Cemetery	1,302	5,176	4,275	2,203
Levy Excess	2,026	-	2,026	-
Totals	<u>\$ 71,325</u>	<u>\$ 80,509</u>	<u>\$ 87,415</u>	<u>\$ 64,419</u>

The accompanying notes are an integral part of the schedules.

WHITEWATER TOWNSHIP, FRANKLIN COUNTY
NOTES TO SCHEDULES

Note 1. Introduction

The Township was established under the laws of the State of Indiana. The Township provides the following services: public safety, health and social services, and general administrative services.

Note 2. Fund Accounting

The Township 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 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 Township 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.

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 Township 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.

WHITEWATER TOWNSHIP, FRANKLIN COUNTY
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The following official bonds were not filed in the Office of the County Recorder:

Roy Hall 2003 to 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 . . ."

APPROPRIATIONS

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

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
Township	2003	\$ 3,842
Township Assistance	2003	2,062
Township	2004	542
Firefighting	2004	5,400
Township	2005	15,045
Township Assistance	2005	433
Firefighting	2005	10,900

A similar comment appeared in the prior audit report.

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."

PENALTIES, INTEREST AND OTHER CHARGES

Penalties and interest totaling \$32.61 were paid to the Internal Revenue Service 2003 and 2004 for late filing of quarterly taxes.

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 Townships, Chapter 13)

WHITEWATER TOWNSHIP, FRANKLIN COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

ADVANCE PAYMENTS

Dates of transactions indicate that some payments were made to individuals prior to the receipt of services.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CONTRACTS

Records presented for audit indicate payments were made for cemetery restoration in 2004. The contract amount was \$4,550 and the amount billed the Township \$4,680. The Township actually paid \$4,730 in May and June of 2004.

The Township made payments in 2005 for cemetery work in the amount of \$18,300 without a contract.

A similar comment appeared in the prior audit report.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not presented for audit or were incorrect.

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."

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)

WHITEWATER TOWNSHIP, FRANKLIN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 3, 2006, with Roy N. Hall, Trustee. The official concurred with our findings.