

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

EXAMINATION REPORT

OF

WHITE RIVER TOWNSHIP FIRE PROTECTION DISTRICT

JOHNSON COUNTY, INDIANA

January 1, 2002 to December 31, 2006



FILED
12/31/2007

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	4-5
Notes to Financial Information	6-8
Supplementary Information:	
Schedule of Long-Term Debt	9
Other Report	10
Examination Results and Comments:	
Approval of Forms	11
Compensation of Trustees	11
Condition of Records	11-12
Capital Assets.....	12
Receipt Issuance	12
Deposits.....	12
Disbursement Documentation	13
Credit Cards.....	13-14
Certified Report Not Filed	14
List of Employees Not Filed With The County Treasurer	14
Exit Conference.....	15

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Fiscal Officer	Jonathan D. Raker	01-01-02 to 12-31-07
President of the Board	Paul Kite	01-01-02 to 12-31-04
	Chuck Stuffebarger	01-01-05 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE WHITE RIVER TOWNSHIP FIRE
PROTECTION DISTRICT, JOHNSON COUNTY, INDIANA

We have examined the financial information presented herein of the White River Township Fire Protection District (Fire Protection District), for the period of January 1, 2002 to December 31, 2006. The Fire Protection District'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 Fire Protection District for the years ended December 31, 2002, 2003, 2004, 2005, and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Supplementary Information, as listed in the Table of Contents, was presented for additional analysis and is not a required part of the basic financial information. The Supplementary Information has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on the Supplementary Information.

STATE BOARD OF ACCOUNTS

December 10, 2007

WHITE RIVER TOWNSHIP FIRE PROTECTION DISTRICT
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, 2005, And 2006

	Cash and Investments 01-01-02	Receipts	Disbursements	Cash and Investments 12-31-02
Governmental Funds:				
General	\$ 82,218	\$ 2,226,689	\$ 1,995,883	\$ 313,024
Cumulative Fire	440,901	413,873	290,168	564,606
Capital Projects	380,027	379,476	366,003	393,500
Special Fire Debt	295,845	867,322	803,201	359,966
Rainy Day Fund	101,654	50,000	-	151,654
Totals	<u>\$ 1,300,645</u>	<u>\$ 3,937,360</u>	<u>\$ 3,455,255</u>	<u>\$ 1,782,750</u>

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 313,024	\$ 2,131,415	\$ 2,355,987	\$ 88,452
Cumulative Fire	564,606	321,895	186,687	699,814
Capital Projects	393,500	1,009,626	3,526	1,399,600
Special Fire Debt	359,966	792,117	890,449	261,634
Rainy Day Fund	151,654	-	-	151,654
Totals	<u>\$ 1,782,750</u>	<u>\$ 4,255,053</u>	<u>\$ 3,436,649</u>	<u>\$ 2,601,154</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 88,452	\$ 4,336,239	\$ 3,808,399	\$ 616,292
Cumulative Fire	699,814	330,632	-	1,030,446
Capital Projects	1,399,600	-	899,512	500,088
Special Fire Debt	261,634	924,385	816,345	369,674
Rainy Day Fund	151,654	84,781	-	236,435
Totals	<u>\$ 2,601,154</u>	<u>\$ 5,676,037</u>	<u>\$ 5,524,256</u>	<u>\$ 2,752,935</u>

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

WHITE RIVER TOWNSHIP FIRE PROTECTION DISTRICT
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, 2005, And 2006
(Continued)

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 616,292	\$ 5,133,499	\$ 4,675,414	\$ 1,074,377
Cumulative Fire	1,030,446	364,926	58,314	1,337,058
Capital Projects	500,088	2,468,947	154,742	2,814,293
Special Fire Debt	369,674	682,630	659,130	393,174
Rainy Day Fund	236,435	-	-	236,435
Totals	<u>\$ 2,752,935</u>	<u>\$ 8,650,002</u>	<u>\$ 5,547,600</u>	<u>\$ 5,855,337</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 13-31-06
Governmental Funds:				
General	\$ 1,074,377	\$ 5,390,817	\$ 4,630,711	\$ 1,834,483
Cumulative Fire	1,337,058	396,463	248,182	1,485,339
Capital Projects	2,814,293	296,162	1,578,550	1,531,905
Building Debt	-	707,438	462,922	244,516
Special Fire Debt	393,174	448,045	656,169	185,050
Rainy Day Fund	236,435	-	-	236,435
Totals	<u>\$ 5,855,337</u>	<u>\$ 7,238,925</u>	<u>\$ 7,576,534</u>	<u>\$ 5,517,728</u>

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

WHITE RIVER TOWNSHIP FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Fire Protection District was established under the laws of the State of Indiana. The Fire Protection District operates under an appointed governing board and provides fire protection services for the public health, safety and welfare of the residence and property owners of White River Township north of Stones Crossing Road. The Fire Protection District does not provide services to any geographic area which is part of the City of Greenwood, State of Indiana, as of October 8, 1986.

Note 2. Fund Accounting

The Fire Protection District 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 Fire Protection District 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 Fire Protection District 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 Fire Protection District 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.

WHITE RIVER TOWNSHIP FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

A. Public Employees' Retirement Fund

Plan Description

The Fire Protection District 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 Fire Protection District 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.

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

Plan Description

The Fire Protection District contributes to the 1977 Police Officers' and Firefighters' Pension and Disability Fund, a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Fund (PERF) 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 55 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 55. The plan also provides for death and disability benefits.

PERF 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:

WHITE RIVER TOWNSHIP FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL INFORMATION
(Continued)

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

Funding Policy and Annual Pension Costs

Plan members are required to contribute 6% of the first-class police officers' and firefighters' salary and the Fire Protection District is to contribute at an actuarially determined rate. The current rate, which has not changed since the inception of the plan, is 21% of the first-class police officers' and firefighters' salary. The contribution requirements of plan members and the Fire Protection District are established by the Board of Trustees of PERF. The Fire Protection District's contributions to the plan for the years ending December 31, 2006, 2005, and 2004, were \$410,811, \$392,974, and \$212,336, respectively, equal to the required contributions for each year.

WHITE RIVER TOWNSHIP FIRE PROTECTION DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2006

The Fire District has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
General obligation bonds:		
2001 Fire Equipment Bond	\$ 69,560	\$ 69,560
2002 Fire Equipment Bond	135,000	65,000
2003 Fire Building and Equipment Bond	530,787	171,469
2005 Fire Building and Equipment Bond	<u>2,103,663</u>	<u>389,846</u>
Total governmental activities debt	<u>\$ 2,839,010</u>	<u>\$ 695,875</u>

WHITE RIVER TOWNSHIP FIRE PROTECTION DISTRICT
OTHER REPORT

The annual report presented herein was prepared in addition to another official report as listed below:

Supplemental Report

WHITE RIVER TOWNSHIP FIRE PROTECTION DISTRICT
EXAMINATION RESULTS AND COMMENTS

APPROVAL OF FORMS

The White River Township Fire Protection District contracted its accounting and payroll services and purchased a software package to maintain the general ledger. The reports being used and the accounting software purchased to generate the general ledger have not been approved for use in lieu of prescribed forms. A similar comment was included in the prior Report B19580.

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 Special Districts, Chapter 10)

COMPENSATION OF TRUSTEES

Trustees were paid lump sum amounts for support days devoted to work for the fire district. The lump sum payments were approved in a meeting; however, adequate supporting documentation detailing the dates worked was not submitted with the claims for the years 2002, 2003, 2004, and 2005. A similar comment was included in the prior Report B19580.

Each trustee may receive not more than twenty dollars (\$20.00) a day for each day devoted to the work of the district. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 4)

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 Special Districts, Chapter 10)

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were noted. A similar comment was in prior Report B19580.

- (1) The Annual Financial Report (SDAR) was used to prepare the financial statements for 2002, 2003, 2004, 2005, and 2006. Depository reconciliations presented for audit were not in agreement with the SDAR balance on December 31, for fiscal years 2002, 2003, 2004, and 2005.

At all times, the manual and/or computerized records, subsidiary ledgers, controls 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 Special Districts Chapter 10)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines for Special Districts, Chapter 10)

WHITE RIVER TOWNSHIP FIRE PROTECTION DISTRICT
EXAMINATION RESULTS AND COMMENTS
(Continued)

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."

- (2) The Special District Annual Report (SDAR) beginning and ending cash and investment balances were not always in agreement on the annual reports

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines for Special Districts, Chapter 10)

CAPITAL ASSETS

The General Capital Asset Account Group, Form 369, is prescribed by the State Board of Accounts to be a record of Capital assets purchased by the Fire Protection District. The alternative, unapproved forms maintained by the Fire Protection District contained such errors as: the detail provided as of December 31, 2006, did not agree to amounts reported on the Annual Financial Report (SDAR) and no disposals were recorded on the SDAR. We also noted that a periodic inventory had not been conducted.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded on the applicable General Capital Asset Account Group Form, or a properly approved form, as applicable. A complete inventory should be taken at least every two years for good internal control and for verifying account balances in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10 and 16)

RECEIPT ISSUANCE

Receipts were not always issued or recorded. Receipt, General Form 352 is prescribed for this purpose. A similar comment appeared in Reports B07103 and B19580.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

DEPOSITS

We noted several instances where receipts were deposited later than the next business day.

Indiana Code 5-13-6-1(c) states in part: "All local officers . . . who collect public funds of their respective political subdivisions shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance. . . ."

WHITE RIVER TOWNSHIP FIRE PROTECTION DISTRICT
EXAMINATION RESULTS AND COMMENTS
(Continued)

DISBURSEMENT DOCUMENTATION

Several payments were observed which did not contain adequate supporting documentation such as receipts, invoices, and other public records. A similar comment was included in the prior Report B19580.

Due to the lack of supporting information, the validity and accountability for some monies disbursed could not be established.

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 Special Districts, Chapter 10)

CREDIT CARDS

The White River Township Fire Protection District used credit cards to purchase items prior to the Board authorizing a credit card purchasing policy. Purchases were made without a board approved policy for the years 2002, 2003, 2004, and 2005. A similar comment appeared in Report B19580.

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.

WHITE RIVER TOWNSHIP FIRE PROTECTION DISTRICT
EXAMINATION RESULTS AND COMMENTS
(Continued)

(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 Special Districts, Chapter 10)

CERTIFIED REPORT NOT FILED

The Fire Protection District did not file a certified report of compensation of officers and employees (Form 100-R or its equivalent) with the State Board of Accounts for the years 2002, 2003, or 2004.

Indiana Code 5-11-13-1 states in part: "Every state, county, city, town, township, or school official . . . shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts."

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

Officials or employees of the Township had money due from the Township, but a list of such employees was not certified to the County Treasurer for 2002, 2003, 2004, or 2005.

Indiana Code 6-1.1-22-14(a) states in part: "On or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the names and addresses of each person who has money due from the political subdivision to the treasurer of each county in which the political subdivision is located."

WHITE RIVER TOWNSHIP FIRE PROTECTION DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on December 10, 2007, with Jeremy A. Pell, Fire Chief; and Scott Cassin, Deputy Chief.