

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, 2006 to December 31, 2007



FILED
12/31/2008

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Maribeth Alspach

01-01-06 to 12-31-11

President of the
Town Council

John Perrin

01-01-06 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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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, New Whiteland Water Utility, and New Whiteland Wastewater Utility for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, 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. It 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

September 24, 2008

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, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 223,486	\$ 1,772,961	\$ 1,705,302	\$ 291,145
Motor Vehicle Highway	76,869	167,389	172,209	72,049
Local Road and Street	54,916	60,498	53,610	61,804
Park Nonreverting Operating	7,483	30,036	33,177	4,342
Accident Report	5	-	5	-
Firearms Training	360	200	-	560
Law Enforcement Continuing Education	3,371	2,255	4,495	1,131
Police Department - State Grant	3,260	-	3,169	91
User Fee	54	117	114	57
Cumulative Fire	125,352	27,047	8,501	143,898
Park Cumulative Capital Improvement	2,500	-	-	2,500
Nonreverting Unrestricted Police Donations	2,551	5,489	7,103	937
Nonreverting Restricted Fire Equipment and Building Donation	1,500	-	1,449	51
Nonreverting Unrestricted Fire Equipment Donations	433	2,166	1,558	1,041
Nonreverting Restricted Building Inspections	13,263	19,255	13,673	18,845
Fire Department - State Grant	3,312	-	-	3,312
Rainy Day	34,026	-	-	34,026
Police Department - Homeland Security	-	719	422	297
Cigarette Tax CCIF	-	8,605	-	8,605
Operation Pull-Over	-	4,881	4,931	(50)
Proprietary Funds:				
Water Utility - Operating	199,618	897,316	848,242	248,692
Meter Deposit	3,620	19,985	9,201	14,404
Sanitation	856,791	1,831,279	1,695,312	992,758
Storm Water	46,956	59,827	14,796	91,987
Fiduciary Fund:				
Payroll	16,532	1,037,913	1,036,246	18,199
Totals	<u>\$ 1,676,258</u>	<u>\$ 5,947,938</u>	<u>\$ 5,613,515</u>	<u>\$ 2,010,681</u>

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

TOWN OF NEW WHITELAND
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2006 And 2007
(Continued)

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 291,145	\$ 1,498,405	\$ 1,486,878	\$ 302,672
Motor Vehicle Highway	72,049	170,331	176,718	65,662
Local Road and Street	61,804	56,038	89,017	28,825
Park Nonreverting Operating	4,342	4,892	4,977	4,257
Firearms Training	560	-	-	560
Law Enforcement Continuing Education	1,131	8,965	4,279	5,817
Police Department - State Grant	91	-	-	91
User Fee	57	105	-	162
Cumulative Fire	143,898	28,208	11,320	160,786
Park Cumulative Capital Improvement	2,500	-	-	2,500
Nonreverting Unrestricted Police Donations	937	900	1,737	100
Nonreverting Restricted Fire Equipment and Building Donation	51	-	-	51
Nonreverting Unrestricted Fire Equipment Donations	1,041	780	162	1,659
Nonreverting Restricted Building Inspections	18,845	9,816	11,056	17,605
Fire Department - State Grant	3,312	-	-	3,312
Rainy Day	34,026	23,186	-	57,212
Police Department - Homeland Security	297	-	-	297
Cigarette Tax CCIF	8,605	16,083	16,170	8,518
Operation Pull-Over	(50)	4,472	4,472	(50)
Proctor Park Donation Fund	-	39,976	39,232	744
Proprietary Funds:				
Water Utility - Operating	248,692	631,599	721,002	159,289
Meter Deposit	14,404	66,086	15,690	64,800
Sanitation	992,758	930,302	1,105,586	817,474
Storm Water	91,987	50,091	12,484	129,594
Debt Service Reserve Account	-	208,000	-	208,000
Fiduciary Fund:				
Payroll	18,199	1,161,547	1,161,206	18,540
Totals	<u>\$ 2,010,681</u>	<u>\$ 4,909,782</u>	<u>\$ 4,861,986</u>	<u>\$ 2,058,477</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

In January 2008, the Town of New Whiteland entered into a long-term debt agreement for the purchase of a fire engine. The loan was for \$245,732, the first payment of \$101,086 was made in February 2008. The remaining balance will be paid with 22 semiannual payments of \$9,179.57 each, payable on June 1 and December 1.

TOWN OF NEW WHITELAND
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

	Ending Principal	Principal and Interest Due Within One
Governmental Activities:		
Capital leases:		
Police Cars	\$ 15,872	\$ 16,422
Notes and loans payable		
Tracy Road	127,400	28,035
Total governmental activities debt	\$ 143,272	\$ 44,457
Business-type Activities:		
Water Utility		
Notes and loans payable		
Water Tower	\$ 287,509	\$ 82,348
Wastewater Utility		
State Revolving Fund Loan	1,788,000	202,732
Total business-type activities debt	\$ 2,075,509	\$ 285,080

TOWN OF NEW WHITELAND
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The Town has a Crime Insurance policy to cover all officials and employees of the Town. The policy was not filed in the office of the County Recorder.

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. . . ."

Crime Insurance policies permitted by statute should be recorded in the same manner as official bonds under IC 5-4. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CONDITION OF RECORDS - PAYROLL WITHHOLDING FUNDS

The following deficiencies relating to the recordkeeping were present during our period of audit:

Unidentified balances were allowed to remain and or accumulate in various payroll withholding accounts.

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

ANNUAL REPORT

The Town of New Whiteland files the Town's Annual Report. The Annual Report is prescribed by the State Board of Accounts. The following were misstated in the Annual Report:

(A) Part 10 of the Annual Report is the Report of General Fixed Assets. For CY's 2006 and 2007, the Annual Report states that the beginning and ending balances and additions are all \$0. The Capital Asset Report states that capital assets of \$16,000 and \$101,145 were added in CY's 2006 and 2007, respectively. The December 31, 2006, balance was \$3,459,203 and the December 31, 2007, balance was \$3,560,348.

(B) The 2007 Annual Report payroll disbursements were understated by \$644,302.

(C) Part 6 of the Annual Report is the Report of Long-Term Indebtedness. For CY's 2006 and 2007, New Whiteland's Annual Report states beginning principal balances of \$2,726,316.37 and \$2,534,334.27 and ending principal balances of \$2,534,334.27 and \$2,323,207.37, respectively. Amortization schedules show ending principal balances for 2007 totaling \$2,218,780.79.

Indiana Code 5-3-1-3(a) states in part: "Within sixty (60) days after the expiration of each calendar year, the fiscal officer of each civil city and town in Indiana shall publish an annual report of the receipts and expenditures of the city or town . . ."

TOWN OF NEW WHITELAND
EXIT CONFERENCE

The contents of this report were discussed on October 16, 2008, with Maribeth Alspach, Clerk-Treasurer; John Perrin, President of the Town Council; and Terry Spencer, Town Council member. The official response has been made a part of this report and may be found on pages 11 and 12.



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

October 21, 2008

State Board of Accounts
302 W. Washington Street, Room E 418
Indianapolis, IN 46204-2738

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 2006 – 2007 audits.

Official Bond

I was unaware that I needed to file a copy of our Blanket Bond Crime Insurance policy at the County Recorder's office. As soon as this was brought to my attention we did file a copy (October 3, 2008) and provided a stamped file copy to our auditor.

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. Per our conversation with Al Marshal we will identify the balances that have carried forward from year to year and transfer those funds into the General Fund. The claims dating back to the time period when the balances began accumulating have been destroyed.

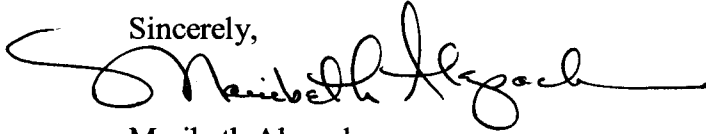
Annual Report

- A) General Fixed Assets – the information is supposed to merge from our budget software to the fixed assets software and should flow directly to the computer generated CTAR. We are investigating this concern with Keystone.
- B) Payroll Disbursements – this issue has been corrected and was a direct result of switching to direct payroll deposits for our employees. We were not advised that we needed to write an additional receipt. We are now writing the extra receipt which resolves this problem.

C) Long Term Indebtedness – for future reports we will use the outstanding balance figures on our amortization schedules.

I would like to thank the State Board of Accounts people who worked on this audit for their kindness and the professional way in which this audit was conducted.

Sincerely,

A handwritten signature in black ink, appearing to read "Maribeth Alspach". The signature is fluid and cursive, with a large initial "M" and a long horizontal flourish at the end.

Maribeth Alspach
New Whiteland Clerk-Treasurer

cc: New Whiteland Town Council