

B36560

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

EXAMINATION REPORT  
OF  
WHITE RIVER TOWNSHIP  
HAMILTON COUNTY, INDIANA  
January 1, 2008 to December 31, 2009



**FILED**  
04/29/2010



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances .....	4
Notes to Financial Information .....	5
Supplementary Information:	
Schedule of Long-Term Debt .....	6
Examination Results and Comments:	
Disbursement Documentation .....	7
Mileage Reimbursement.....	7
Contracts .....	7
Township Assistance Standards .....	7
Capital Asset Records .....	8
Official Bond .....	8
Annual Report.....	8
Condition of Records .....	8
Overdrawn Fund Balances .....	9
Exit Conference.....	10

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Phyllis Jacobs Jamie Rulon	01-01-07 to 01-13-10 02-18-10 to 12-31-10
Chairman of the Township Board	Charles R. Burkhardt Donna Gentry Jamie Rulon Donna Gentry	01-01-08 to 12-31-08 01-01-09 to 12-31-09 01-01-10 to 02-17-10 02-17-10 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF WHITE RIVER TOWNSHIP, HAMILTON COUNTY, INDIANA

We have examined the financial information presented herein of White River Township (Township), for the period of January 1, 2008 to December 31, 2009. The Township'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 Township for the years ended December 31, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

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

STATE BOARD OF ACCOUNTS

March 2, 2010

WHITE RIVER TOWNSHIP, HAMILTON COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Years Ended December 31, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 76,893	\$ 69,760	\$ 68,878	\$ 77,775
Township Assistance	10,654	53,753	63,500	907
Firefighting	96,780	92,966	78,567	111,179
Levy Excess	6,889	-	-	6,889
Fire Building Debt	73,006	130,271	113,467	89,810
Fire Equipment Debt	5,762	-	-	5,762
Special COIT Distribution	10,808	-	-	10,808
Emergency Medical Services	2,001	108,750	107,990	2,761
Cumulative Fire	58,443	30,201	-	88,644
Fiduciary Fund:				
Payroll Withholdings	-	9,248	9,123	125
Totals	<u>\$ 341,235</u>	<u>\$ 494,949</u>	<u>\$ 441,525</u>	<u>\$ 394,659</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 77,775	\$ 66,557	\$ 57,817	\$ 86,515
Township Assistance	907	61,520	63,586	(1,159)
Firefighting	111,179	92,595	92,117	111,657
Levy Excess	6,889	-	414	6,475
Fire Building Debt	89,810	113,087	203,746	(849)
Fire Equipment Debt	5,762	-	-	5,762
Special COIT Distribution	10,808	18,504	-	29,312
Emergency Medical Services	2,761	108,750	107,415	4,096
Cumulative Fire	88,644	25,086	7,370	106,360
Fiduciary Fund:				
Payroll Withholdings	125	10,729	10,854	-
Totals	<u>\$ 394,659</u>	<u>\$ 496,828</u>	<u>\$ 543,319</u>	<u>\$ 348,168</u>

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

WHITE RIVER TOWNSHIP, HAMILTON COUNTY  
NOTES TO FINANCIAL INFORMATION

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, culture and recreation, 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. All property taxes collected by the County Treasurer and available for distribution were distributed to the Township 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 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.

WHITE RIVER TOWNSHIP, HAMILTON COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2009

The township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Bonds payable:		
General obligation bonds:		
Fire Building	\$ 1,095,000	\$ 26,224

WHITE RIVER TOWNSHIP, HAMILTON COUNTY  
EXAMINATION RESULTS AND COMMENTS

DISBURSEMENT DOCUMENTATION

Several payments were observed which did not contain adequate supporting documentation such as receipts, and invoices.

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 Townships, Chapter 13)

MILEAGE REIMBURSEMENT

Some employees were reimbursed for mileage without filing Mileage Claim, General Form 101.

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 Townships, Chapter 13)

CONTRACTS

Records presented for examination indicate that payments were made to Robert Engle for \$3,930.21 to work on installation of doors at fire barn in 2009 without a contract. Mr. Engle also received a \$500 bonus for extra work done which disbursement was not supported by any contract.

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)

Mr. Engle reimbursed \$500 to the Township during March and April 2010.

TOWNSHIP ASSISTANCE STANDARDS

The Township Trustee awarded Township assistance to individuals that did not meet the established Township Assistance Standards. Particularly, assistance was awarded to individuals that were over the income standards set by the Township for assistance.

IC 12-20-5.5-1 states in part: ". . . The township trustee shall process all applications for township assistance according to uniform written standards and without consideration of the race, creed, nationality, or gender of the applicant or any member of the applicant's family . . ."

IC 12-20-5.5-6 states in part: ". . . A township trustee shall set income standards for the township that provide for financial eligibility in an amount consistent with reasonable costs of basic necessities in the trustee's particular township . . ."

WHITE RIVER TOWNSHIP, HAMILTON COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

CAPITAL ASSET RECORDS

Information presented for examination did not indicate an inventory or record of capital assets using Form 369.

Every governmental unit should have a complete inventory of all fixed assets owned which reflects their acquisition value. Such inventory should be recorded on the applicable Capital Assets Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

OFFICIAL BOND

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

Phyllis Jacobs, Trustee

IC 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 . . ."

ANNUAL REPORT

The 2008 annual report was not an accurate reflection of the receipts, disbursements, and balances of the Township's financial and appropriation records. The annual report for 2009 was not filed timely.

IC 5-11-1-4 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

Financial records presented for examination were incomplete and not reflective of the activity of the Payroll Withholding Fund. The records presented did not provide sufficient information to examine or establish beginning balances, receipts, disbursements, ending balances, or the accuracy or correctness of the transactions. Additionally, the total of the fund balances at December 31, 2009, are \$319 higher than the control ledger.

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)

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 Townships, Chapter 13)

WHITE RIVER TOWNSHIP, HAMILTON COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

OVERDRAWN FUND BALANCES

The Township Assistance Fund and the Fire Building Debt Fund were overdrawn in 2009.

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

WHITE RIVER TOWNSHIP, HAMILTON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on March 4, 2010, with Jamie Rulon, Trustee. The official concurred with our findings.