

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

FINANCIAL STATEMENT REVIEW REPORT

OF

TOWN OF NEW WHITELAND

JOHNSON COUNTY, INDIANA

January 1, 2017 to December 31, 2018



FILED
01/28/2020

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Maribeth Alspach	01-01-17 to 12-31-20
President of the Town Council	John Perrin	01-01-17 to 12-31-20



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

TO: THE OFFICIALS OF THE TOWN OF NEW WHITELAND, JOHNSON COUNTY, INDIANA

We have reviewed the accompanying financial statement of the Town of New Whiteland (Town), for the period of January 1, 2017 to December 31, 2018. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Town's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statement as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with a regulatory 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. This includes determining that the basis of accounting the Town uses is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that is free from material misstatements whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statement for them to be in accordance with the prescribed basis of accounting described in Note 1. We believe that the results of our procedures provide a reasonable basis for our conclusion.


INDEPENDENT ACCOUNTANT'S REVIEW REPORT
(Continued)

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statement in order for it to be in accordance with the prescribed basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The financial statement is prepared in accordance with 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. Our conclusion is not modified with respect to this matter.


Paul D. Joyce, CPA
State Examiner

January 23, 2020

FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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 NEW WHITELAND
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended December 31, 2017 and 2018

Fund	Cash and Investments			Cash and Investments			Cash and Investments
	01-01-17	Receipts	Disbursements	12-31-17	Receipts	Disbursements	12-31-18
GENERAL FUND 0101	\$ 4,229,767	\$ 1,718,583	\$ 1,413,191	\$ 4,535,159	\$ 1,751,582	\$ 1,672,895	\$ 4,613,846
MOTOR VEHICLE HIGHWAY0708	296,596	331,342	210,280	417,658	405,968	491,062	332,564
LOCAL ROAD & STREETS 7060	80,512	71,527	-	152,039	99,140	160,000	91,179
PROCTOR PARK DONATION FUND	833	2,801	525	3,109	3,534	2,138	4,505
NR RESTRICTED BLDG INSPEC	18,344	2,285	2,245	18,384	2,765	2,034	19,115
LECE 1154	27,274	5,788	10,133	22,929	5,232	6,146	22,015
USER FEE 1010	166	-	-	166	-	-	166
RAINY DAY FUND	307,029	20,572	45,939	281,662	155,000	78,671	357,991
CIGARETTE TAX CCIF	-	13,307	-	13,307	12,791	19,352	6,746
CUM CAP DEVELOPMENT	77,977	52,532	-	130,509	54,032	36,527	148,014
NR UNREST POLICE DONATION	536	1,022	313	1,245	1,928	1,780	1,393
NR UNREST FIRE EQUIP DONA	250	298	-	548	750	406	892
CUM FIRE SPEC-LIC EXCISE	63,189	24,480	18,211	69,458	26,900	20,857	75,501
CREDIT CARD PYMTS (UTILIT	14,647	425,328	422,735	17,240	497,098	498,145	16,193
NWPD DRUG TESTING	100	-	-	100	-	-	100
NR REST POLICE EQUIP DONA	30	-	-	30	-	-	30
NR REST FIRE EQUIP & BLDG	588	-	-	588	-	-	588
LOIT SPECIAL DISTRIBUTION	57,616	-	-	57,616	2,619	60,235	-
LOCAL ROAD AND BRIDGE MATCHING GRANT FUND	-	-	-	-	870,023	850,419	19,604
NWPD FORFEITURE FUNDS	-	275	-	275	-	-	275
SRF CONSTRUCTION LOAN DRAW DATA TRACKING	-	-	-	-	220,114	220,114	-
PAYROLL MEDICARE WITHHO	-	14,450	14,450	-	14,464	14,464	-
PAYROLL STATE WITHHOLDI	-	33,727	33,727	-	34,140	34,140	-
PAYROLL-HEALTH INSURANCE	-	22,275	20,651	1,624	28,570	30,194	-
PAYROLL-DENTAL INSURANCE	-	2,502	2,502	-	3,070	3,070	-
PAYROLL -VISION INSURANCE	-	366	336	30	422	452	-
PAYROLL-HOSPITALIZATION	-	9,953	9,953	-	9,616	9,616	-
PAYROLL-VOL LIFE INS	-	12,837	11,831	1,006	10,681	11,687	-
PAYROLL-DEF COMP	-	46,629	46,629	-	44,020	44,020	-
PAYROLL-GARNISHMENT	-	-	-	-	2,257	2,257	-
OPERATION PULL-OVER	511	464	975	-	-	-	-
PAYROLL FUND	-	679,578	679,578	-	700,429	700,429	-
PAYROLL FEDERAL WITHHOL	-	107,247	107,247	-	87,839	87,839	-
PAYROLL FICA WITHHOLDIN	-	61,783	61,783	-	61,846	61,846	-
PAYROLL COUNTY ADJ. GRO	-	10,675	10,675	-	10,720	10,720	-
PAYROLL PERF WITHHOLDIN	-	27,085	27,085	-	26,983	26,983	-
EMPLOYER'S SHARE FICA	-	61,783	61,783	-	61,846	61,846	-
EMPLOYER'S SHARE MEDICARE	-	14,450	14,450	-	14,464	14,464	-
STORM WATER	206,200	187,061	126,392	266,869	192,304	200,242	258,931
SANITATION FUND	924,096	934,461	749,071	1,109,486	935,970	1,689,463	355,993
SEWER DEPOSIT	62,211	21,900	13,575	70,536	19,200	12,700	77,036
DEBT SERVICE RESERVE ACCT BOND & INTEREST	-	-	-	-	155,420	-	155,420
SEWAGE UTL CAPITAL IMPROVEMENTS	-	-	-	-	500,000	-	500,000
Totals	<u>\$ 6,368,472</u>	<u>\$ 4,919,366</u>	<u>\$ 4,116,265</u>	<u>\$ 7,171,573</u>	<u>\$ 7,023,737</u>	<u>\$ 7,137,213</u>	<u>\$ 7,058,097</u>

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

TOWN OF NEW WHITELAND
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, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

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. Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's 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. 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 the following: peddler licenses, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants,

TOWN OF NEW WHITELAND
NOTES TO FINANCIAL STATEMENT
(Continued)

cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions 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. Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines 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. Amounts received 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. Amounts received from charges for current services.

Other receipts. Amounts received from various sources, including, but 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. Amounts disbursed 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. Amounts disbursed for 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, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges. Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service - principal and interest. Amounts disbursed for 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. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

TOWN OF NEW WHITELAND
NOTES TO FINANCIAL STATEMENT
(Continued)

Utility operating expenses. Amounts disbursed for operating the utilities.

Other disbursements. Amounts disbursed for various other purposes including, but 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, make transfers 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 amounts 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 amounts 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 December 31 of the year preceding the budget year or January 15 of the budget year if the Town is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. 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 NEW WHITELAND
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, the following: 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 Plan*

Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund Defined Benefit Plan (PERF DB) is a cost-sharing multiple-employer defined benefit plan and provides retirement, disability, and survivor benefits to plan members. PERF DB is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the Town authority to contribute to the plan.

The Public Employees' Hybrid Plan (PERF Hybrid) consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined contribution component.

The Retirement Savings Plan for Public Employees (My Choice) is a multiple-employer defined contribution plan. It is administered through the INPRS Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the Town authority to contribute to the plan.

New employees hired have a one-time election to join either the PERF Hybrid or the My Choice.

TOWN OF NEW WHITELAND
NOTES TO FINANCIAL STATEMENT
(Continued)

Financial Report

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
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (844) 464-6777

Contributions

Members' contributions are set by state statute at 3 percent of compensation for both the defined contribution component of PERF Hybrid and My Choice. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid and My Choice members may receive additional employer contribution in lieu of the PERF DB. Contributions to the PERF DB are determined by INPRS Board based on actuarial valuation.

Note 7. Subsequent Events

The Town closed on a State Revolving Fund Loan on December 31, 2018, for \$2,497,000. Annual debt service requirements range from \$154,437 to \$155,420 beginning on July 1, 2019, and concluding on January 1, 2039. Funds will be used for wastewater treatment plant improvements.

TOWN OF NEW WHITELAND
EXIT CONFERENCE

The contents of this report were discussed on January 23, 2020, with Maribeth Alspach, Clerk-Treasurer, and John Perrin, President of the Town Council.