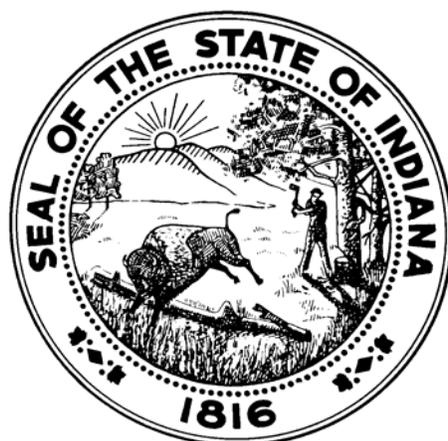


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
TOWN OF OGDEN DUNES
PORTER COUNTY, INDIANA
January 1, 2002 to December 31, 2005



FILED
08/08/2006

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.....	4-5
Notes to Schedules	6-7
Examination Results and Comments:	
City and Town Annual Report Inconsistencies	8
Contracts Not Available for Review	8
Prescribed Forms	8
Fees	8
Exit Conference	9

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Jacqueline Remmers	01-01-00 to 01-16-05
	Susan Cunningham	01-17-05 to 12-31-07
President of the Town Council	Julia Hoham	01-01-02 to 12-31-02
	P. Thomas Clouser	01-01-03 to 12-31-03
	Walter Bargerson	01-01-04 to 12-31-05
	Judith Root Stiles	01-01-06 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF OGDEN DUNES, PORTER COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of Ogden Dunes (Town), for the period of January 1, 2002 to December 31, 2005. The Town'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 Town 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

June 14, 2006

TOWN OF OGDEN DUNES
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY 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	\$ 455,694	\$ 1,701,250	\$ 1,825,317	\$ 331,627
Motor Vehicle Highway	31,438	137,669	126,141	42,966
Local Road and Street	95,784	282,368	292,088	86,064
Beach Nourishment	6,225	30	-	6,255
Law Enforcement Continuing Education	3,562	8,979	7,824	4,717
Park and Recreation	5,464	8,282	6,558	7,188
Rainy Day	87,542	444,685	349,000	183,227
1990 Park Bond	1,613	6,400	6,400	1,613
2000 Park Bond	-	80,833	63,188	17,645
1995 General Obligation Bond	26,039	46,974	48,613	24,400
Cumulative Capital Improvement	20,028	88,568	82,500	26,096
Cumulative Capital Development	64,496	249,005	235,111	78,390
2000 Park Bond Proceeds	177,346	2,777	1,828	178,295
Enterprise Fund:				
Water Utility	525,666	716,172	826,585	415,253
Fiduciary Funds:				
Dredge Fund	7,000	16,061		23,061
Payroll	1,495	357,812	359,561	(254)
Building Debris Escrow	4,800	-	900	3,900
Escrow	1,677	37,729	37,379	2,027
Totals	<u>\$ 1,515,869</u>	<u>\$ 4,185,594</u>	<u>\$ 4,268,993</u>	<u>\$ 1,432,470</u>

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 331,627	\$ 803,908	\$ 952,731	\$ 182,804
Motor Vehicle Highway	42,966	156,136	133,246	65,856
Local Road and Street	86,064	197,323	204,353	79,034
Beach Nourishment	6,255	12	-	6,267
Law Enforcement Continuing Education	4,717	9,034	11,002	2,749
Park and Recreation	7,188	10,382	12,090	5,480
Rainy Day	183,227	-	-	183,227
1990 Park Bond	1,613	4,800	4,800	1,613
2000 Park Bond	17,645	65,800	76,238	7,207
1995 General Obligation Bond	24,400	38,356	49,192	13,564
Cumulative Capital Improvement	26,096	84,947	80,200	30,843
Cumulative Capital Development	78,390	241,947	229,996	90,341
2000 Park Bond Proceeds	178,295	2,224	135,641	44,878
Enterprise Fund:				
Water Utility	415,253	183,481	193,468	405,266
Fiduciary Funds:				
Dredge Fund	23,061	16,102	17,054	22,109
Payroll	(254)	387,577	386,796	527
Building Debris Escrow	3,900	5,200	4,900	4,200
Escrow	2,027	5,775	7,294	508
Totals	<u>\$ 1,432,470</u>	<u>\$ 2,213,004</u>	<u>\$ 2,499,001</u>	<u>\$ 1,146,473</u>

The accompanying notes are an integral part of the schedules.

TOWN OF OGDEN DUNES
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2002, 2003, 2004, And 2005
(Continued)

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 182,804	\$ 889,680	\$ 864,315	\$ 208,169
Motor Vehicle Highway	65,856	207,932	145,431	128,357
Local Road and Street	79,034	18,091	68,120	29,005
Beach Nourishment	6,267	24	1	6,290
Law Enforcement Continuing Education	2,749	1,499	1,944	2,304
Park and Recreation	5,480	3,816	6,952	2,344
Rainy Day	183,227	105,500	-	288,727
1990 Park Bond	1,613	-	1,613	-
2000 Park Bond	7,207	48,484	46,187	9,504
1995 General Obligation Bond	13,564	53,220	46,566	20,218
Cumulative Capital Improvement	30,843	4,899	30,000	5,742
Cumulative Capital Development	90,341	27,510	85,000	32,851
2000 Park Bond Proceeds	44,878	553	15	45,416
County Economic Development Income Tax (CEDIT)	-	65,010	-	65,010
Enterprise Fund:				
Water Utility	405,266	191,969	188,002	409,233
Fiduciary Funds:				
Dredge Fund	22,109	16,363	15	38,457
Payroll	527	407,150	407,173	504
Building Debris Escrow	4,200	2,100	1,200	5,100
Escrow	508	4,768	4,935	341
Totals	<u>\$ 1,146,473</u>	<u>\$ 2,048,568</u>	<u>\$ 1,897,469</u>	<u>\$ 1,297,572</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 208,169	\$ 568,501	\$ 552,591	\$ 224,079
Motor Vehicle Highway	128,357	143,558	212,875	59,040
Local Road and Street	29,005	32,766	20,348	41,423
Beach Nourishment	6,290	188	9	6,469
Law Enforcement Continuing Education	2,304	1,250	1,976	1,578
Park and Recreation	2,344	8,602	5,458	5,488
Rainy Day	288,727	-	-	288,727
2000 Park Bond	9,504	41,626	44,875	6,255
1995 General Obligation Bond	20,218	45,686	46,120	19,784
Cumulative Capital Improvement	5,742	4,059	9,000	801
Cumulative Capital Development	32,851	23,236	25,000	31,087
2000 Park Bond Proceeds	45,416	1,333	2,677	44,072
County Economic Development Income Tax (CEDIT)	65,010	65,010	-	130,020
Enterprise Fund:				
Water Utility	409,233	219,283	349,803	278,713
Fiduciary Funds:				
Dredge Fund	38,457	17,322	-	55,779
Payroll	504	442,602	441,454	1,652
Building Debris Escrow	5,100	1,800	2,100	4,800
Escrow	341	6,725	5,747	1,319
Totals	<u>\$ 1,297,572</u>	<u>\$ 1,623,547</u>	<u>\$ 1,720,033</u>	<u>\$ 1,201,086</u>

The accompanying notes are an integral part of the schedules.

TOWN OF OGDEN DUNES
NOTES TO SCHEDULES

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.

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 OGDEN DUNES
NOTES TO SCHEDULES
(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. Long-Term Debt

The Town has entered into various debts such as general obligation bonds for \$182,500 and park district bonds for \$430,000. The outstanding principal at December 31, 2005, was \$23,000 and \$365,000, respectively.

Note 8. Ogden Dunes Water Utility

The Town contracts with Adamczyk & France, CPA, P.C., to perform an annual audit of the Town's Water Utility. Complete financial statements for the Ogden Dunes Water Utility may be obtained at the Town of Ogden Dunes, 115 Hillcrest Road, Ogden Dunes, IN 46368.

TOWN OF OGDEN DUNES
EXAMINATION RESULTS AND COMMENTS

CITY AND TOWN ANNUAL REPORT INCONSISTENCIES

The annual report prepared by the Town for 2005 did not include a new fund established in 2005, the Beach Water Testing Grant. This fund received and spent \$5,728 in grant funds to test the beach water. Additionally, the detail of disbursements for the General Fund did not include \$13,000 of capital outlay disbursements. The total reported agreed to the total disbursements for the fund, but when the individual detail items are independently totaled, they do not agree to the total reported.

The annual report for 2004 did not include the detail of disbursements for the Escrow Fund. These disbursements totaled \$4,935.12

Indiana Code 5-3-1-3 provides the Clerk-Treasurer or Controller of each city and town shall have published an annual report of the receipts and expenditures of such city or town, showing the same "by funds and appropriations," within 60 days after the close of each calendar year. The total indebtedness at December 31 of such municipality must also be shown in this published report.

It is to be noted that the law does not require a listing of every receipt and warrant issued, but it does require that the report show the total of each classification of receipts for each fund and the total disbursements for each appropriation classification for each fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CONTRACTS NOT AVAILABLE FOR REVIEW

Contracts with Studio 5, Incorporated, for local channel programming services, and for the Certified Public Accountants (CPA), for payroll preparation services, were not presented for audit.

Supporting documentation such as receipts, canceled checks, invoices, bills, contracts, etc., 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 Cities and Towns, Chapter 7)

PRESCRIBED FORMS

The Town currently issues generic receipts for persons making various types of payments at the town hall. Although prenumbered, these generic receipts are not an approved or prescribed form.

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 Cities and Towns, Chapter 7)

FEES

Building permit fees were not always charged as required by the ordinance. We observed a building permit issued in which the debris removal fee of \$300 was not charged. Additionally, we observed instances where permits were issued and no fees were charged or collected.

Fees should only be collected as specifically authorized by statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF OGDEN DUNES
EXIT CONFERENCE

The contents of this report were discussed on June 14, 2006, with Susan Cunningham, Clerk-Treasurer; and Michael Frankovich, Vice-President of the Town Council. The officials concurred with our findings.