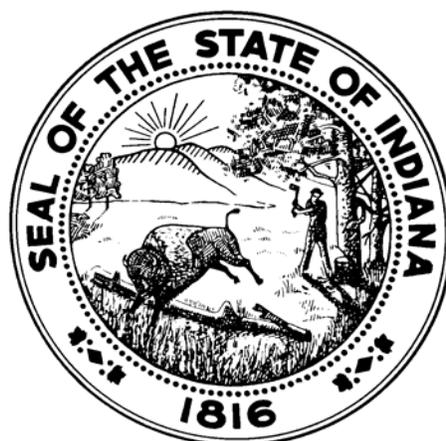


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
TOWN OF FAIRVIEW PARK
VERMILLION COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
12/19/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Teresa Baker	01-01-04 to 12-31-07
President of the Town Council	Larry Natalie	01-01-04 to 12-31-06
Superintendent of Water Utility	Susan Crossley	01-01-04 to 12-31-06
Superintendent of Wastewater Utility	Leonard Helt	01-01-04 to 02-29-04
	Vacant	03-01-04 to 03-30-04
	George Royal	03-31-04 to 12-31-06



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF FAIRVIEW PARK, VERMILLION COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Fairview Park (Town), for the period of January 1, 2004 to December 31, 2005. 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 present fairly, in all material respects, the financial information of the Town for the years ended December 31, 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

October 27, 2006

TOWN OF FAIRVIEW PARK
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES
As Of And For The Years Ended December 31, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 8,971	\$ 119,427	\$ 97,187	\$ 31,211
Motor Vehicle Highway	25,778	54,771	45,644	34,905
Local Road and Street	21,210	8,793	-	30,003
Law Enforcement Continuing Education	405	250	-	655
Riverboat	-	9,433	-	9,433
Rainy Day	-	2,476	-	2,476
Cumulative Capital Improvement	21,444	11,583	16,000	17,027
Cumulative Capital Development	923	12,159	4,500	8,582
Cumulative Building and Fire Fighting Equipment	32,780	10,666	37,900	5,546
Proprietary Funds:				
Water Utility - Operating	(19,436)	162,044	154,214	(11,606)
Water Utility - Bond and Interest	-	51,197	51,197	-
Water Utility - Customer Deposit	4,495	1,950	1,300	5,145
Water Utility - Construction	24,314	-	-	24,314
Water Utility - Reserve	57,337	-	-	57,337
Wastewater Utility - Operating	52,610	353,685	365,101	41,194
Wastewater Utility - Bond and Interest	-	265,455	265,455	-
Wastewater Utility - Construction	71	-	-	71
Totals	<u>\$ 230,902</u>	<u>\$ 1,063,889</u>	<u>\$ 1,038,498</u>	<u>\$ 256,293</u>
	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 31,211	\$ 77,064	\$ 103,242	\$ 5,033
Motor Vehicle Highway	34,905	53,982	53,278	35,609
Local Road and Street	30,003	8,707	-	38,710
Park and Recreation	-	2,000	-	2,000
Law Enforcement Continuing Education	655	319	153	821
Riverboat	9,433	9,433	-	18,866
Rainy Day	2,476	-	-	2,476
Cumulative Capital Improvement	17,027	4,625	10,000	11,652
Cumulative Capital Development	8,582	5,091	1,327	12,346
Cumulative Building and Fire Fighting Equipment	5,546	4,226	5,546	4,226
Proprietary Funds:				
Water Utility - Operating	(11,606)	171,985	154,954	5,425
Water Utility - Bond and Interest	-	51,996	51,996	-
Water Utility - Customer Deposit	5,145	1,200	475	5,870
Water Utility - Construction	24,314	-	5,000	19,314
Water Utility - Improvement	57,337	-	-	57,337
Wastewater Utility - Operating	41,194	362,339	352,423	51,110
Wastewater Utility - Bond and Interest	-	265,175	265,175	-
Wastewater Utility - Depreciation	-	3,155	-	3,155
Wastewater Utility - Construction	71	2,160	2,159	72
Totals	<u>\$ 256,293</u>	<u>\$ 1,023,457</u>	<u>\$ 1,005,728</u>	<u>\$ 274,022</u>

The accompanying notes are an integral part of the schedules.

TOWN OF FAIRVIEW PARK
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.

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.

Note 6. Long-Term Debt

The Town has entered into debt such as bonds for Water Utility Improvements and the construction of a Wastewater Utility. The outstanding principal at December 31, 2005, was \$450,000 and \$4,428,000, respectively.

TOWN OF FAIRVIEW PARK
EXAMINATION RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES

As previously stated in Reports B19270 and B23195, the Water Utility Operating Fund was overdrawn in 2004.

The fund 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 Cities and Towns, Chapter 7)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

As previously stated in Reports B11030, B16663, B19270 and B23195, the Water Utility did not comply with directives of the Indiana Department of Revenue by not filing the 2005 Indiana Utility Receipts Tax Return.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF FAIRVIEW PARK
EXIT CONFERENCE

The contents of this report were discussed on October 27, 2006, with Teresa Baker, Clerk-Treasurer; Susan Crossley, Superintendent of Water Utility; and Mary Kay Frazier, Billing Clerk. The officials concurred with our findings.