

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

EXAMINATION REPORT
OF
TOWN OF OGDEN DUNES
PORTER COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
03/16/2009

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Susan Cunningham Marie Englehart Donna Smith	01-17-05 to 03-14-07 03-15-07 to 08-31-07 09-01-07 to 12-31-11
President of the Town Council	Judith Root Stiles Bradley Wood	01-01-06 to 12-31-07 01-01-08 to 12-31-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the Town of Ogden Dunes (Town), 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

February 4, 2009

TOWN OF OGDEN DUNES
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	\$ 224,079	\$ 570,656	\$ 529,039	\$ 265,696
Motor Vehicle Highway	59,040	139,625	141,619	57,046
Local Road and Street	41,423	17,898	22,370	36,951
Beach Nourishment	6,469	319	-	6,788
Law Enforcement Continuing Education	1,578	1,641	637	2,582
Park and Recreation	5,488	17,838	9,046	14,280
Rainy Day	288,727	-	-	288,727
Police Donation	-	4,190	1,602	2,588
Beach Water Testing Grant	-	-	4,850	(4,850)
2000 Park Bond	6,255	43,114	43,563	5,806
1995 General Obligation Bond	19,784	4,878	24,046	616
Cumulative Capital Improvement	801	4,691	-	5,492
Cumulative Capital Development	31,087	21,703	6,857	45,933
2000 Park Bond Proceeds	44,072	2,097	10,400	35,769
County Economic Development Income Tax (CEDIT)	130,020	113,248	189,417	53,851
Local Major Moves Construction	-	172,297	-	172,297
Proprietary Funds:				
Water Utility	278,713	205,982	314,679	170,016
Sanitation	-	78,378	78,087	291
Fiduciary Funds:				
Dredge Fund	55,779	18,996	-	74,775
Payroll	1,652	416,724	416,901	1,475
Building Debris Escrow	4,900	8,100	6,600	6,400
Escrow	1,219	20,881	20,632	1,468
Totals	<u>\$ 1,201,086</u>	<u>\$ 1,863,256</u>	<u>\$ 1,820,345</u>	<u>\$ 1,243,997</u>

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

TOWN OF OGDEN DUNES
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
(Continued)

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 265,696	\$ 321,641	\$ 581,292	\$ 6,045
Motor Vehicle Highway	57,046	130,719	168,204	19,561
Local Road and Street	36,951	22,013	24,992	33,972
Beach Nourishment	6,788	334	-	7,122
Law Enforcement Continuing Education	2,582	2,395	1,723	3,254
Park and Recreation	14,280	12,887	4,042	23,125
Rainy Day	288,727	42,238	31,000	299,965
Police Donation	2,588	6,129	6,243	2,474
Beach Water Testing Grant	(4,850)	17,186	12,336	-
Environmental Grant	-	10,000	6,152	3,848
Governor's Task Force	-	969	955	14
2000 Park Bond	5,806	37,059	42,250	615
1995 General Obligation Bond	616	1,085	-	1,701
Cumulative Capital Improvement	5,492	4,612	-	10,104
Cumulative Capital Development	45,933	9,706	23,938	31,701
2000 Park Bond Proceeds	35,769	1,380	32,906	4,243
County Economic Development Income Tax (CEDIT)	53,851	83,296	84,368	52,779
Local Major Moves Construction	172,297	-	172,297	-
Proprietary Funds:				
Water Utility	170,016	187,709	243,649	114,076
Sanitation	291	152,050	146,409	5,932
Fiduciary Funds:				
Dredge Fund	74,775	19,965	7,353	87,387
Porter County Community Foundation	-	3,811	311	3,500
Payroll	1,475	458,826	460,287	14
Building Debris Escrow	6,400	4,300	6,700	4,000
Escrow	1,468	26,854	28,322	-
Totals	<u>\$ 1,243,997</u>	<u>\$ 1,557,164</u>	<u>\$ 2,085,729</u>	<u>\$ 715,432</u>

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

TOWN OF OGDEN DUNES
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 IC 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 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

Reassessment and Property Taxes

In accordance with state statutes, all counties were required to reassess property values prior to billing taxes in 2005 through 2007. Significant delays in the reassessment process have resulted in delays in billing taxes in 2005 through 2007. The late billing has delayed timely property tax distributions to the Town. The 2007 tax bills were not sent out until December 2007, with a due date of January 11, 2008. On May 19, 2008, the Town received the final 2007 tax distribution from the county.

TOWN OF OGDEN DUNES
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

The town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
General obligation bonds:		
Park Bond - Land and Equipment	\$ 290,000	\$ 45,538

TOWN OF OGDEN DUNES
EXAMINATION RESULTS AND COMMENTS

HANDGUN APPLICATION FEES

On July 1, 2006, local law enforcement agencies began issuing lifetime handgun licenses. The fee for a person applying for a lifetime handgun license who does not currently possess a valid Indiana handgun license is \$50. The fee for a person who currently possesses a handgun license is \$40. The Town was collecting \$10 for every application instead of the correct fee as stated in Indiana Code.

IC 35-47-2-3 states in part:

"(b) The law enforcement agency which accepts an application for a handgun license shall collect the following application fees: . . .

- (2) From a person applying for a lifetime handgun license who does not currently possess a valid Indiana handgun license, a fifty dollar (\$50) application fee, thirty dollars (\$30) of which shall be refunded if the license is not issued.
- (3) From a person applying for a lifetime handgun license who currently possesses a valid Indiana handgun license, a forty dollar (\$40) application fee, thirty dollars (\$30) of which shall be refunded if the license is not issued. . . ."

FEDERAL AND STATE REGULATIONS

At 65 years of age, employees of the Town are no longer covered by the Town's medical/dental insurance. An employee who turned 65 years old in January 2006 was reimbursed by the Town for the cost of obtaining coverage through Medicare and other outside companies. The employee was reimbursed the cost of obtaining insurance benefits for 2006 through 2008. In 2006, 2007, and 2008, the employee was paid \$3,601, \$4,912, and \$4,499, respectively, totaling \$13,012. The amounts paid to the employee were not included as a taxable benefit on the W-2s.

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 OGDEN DUNES
EXIT CONFERENCE

The contents of this report were discussed on February 4, 2009, with Donna Smith, Clerk-Treasurer; and Bradley Wood, President of the Town Council.