

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

ANNUAL FINANCIAL REPORT

2008

TOWN OF SCHERERVILLE

LAKE COUNTY, INDIANA



FILED
10/27/2009

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Janice M. Malinowski	01-01-08 to 12-31-11
President of the Town Council	Harold Slager Perry Ferrini	01-01-08 to 12-31-08 01-01-09 to 12-31-09
Town Manager	Robert Volkman	01-01-08 to 12-31-09
Superintendent of Water Utility	Jeffery Huet	01-01-08 to 12-31-09
Superintendent of Wastewater Utility	James Gorman	01-01-08 to 12-31-09



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE TOWN OF SCHERERVILLE, LAKE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Schererville (Town), as of and for the year ended December 31, 2008, which collectively comprise the Town's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the Town prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2008, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated September 21, 2009, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedules of Funding Progress, Schedule of Contributions From the Employer and Other Contributing Entities, as listed in the Table of Contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Town has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

September 21, 2009



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE TOWN OF SCHERERVILLE, LAKE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Schererville (Town), as of and for the year ended December 31, 2008, which collectively comprise the Town's basic financial statements and have issued our report thereon dated September 21, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Town's management, Town Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

September 21, 2009

TOWN OF SCHERERVILLE
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2008

Functions/Programs	Program Receipts				Net (Disbursement) Receipt and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Totals
Primary government:							
Governmental activities:							
General government	\$ 25,255,337	\$ 717,277	\$ -	\$ -	\$ (24,538,060)	\$ -	\$ (24,538,060)
Public safety	284,097	629,518	3,082,794	-	3,428,215	-	3,428,215
Highways and streets	1,688,107	4,963	698,432	278,598	(706,114)	-	(706,114)
Sanitation	1,850,760	2,293,444	-	-	442,684	-	442,684
Health and welfare	-	407,225	-	-	407,225	-	407,225
Economic development	2,526,767	-	-	-	(2,526,767)	-	(2,526,767)
Culture and recreation	696,105	226,176	-	106,972	(362,957)	-	(362,957)
Urban redevelopment and housing	185,000	-	-	-	(185,000)	-	(185,000)
Interest on indebtedness	651,926	-	-	-	(651,926)	-	(651,926)
Total governmental activities	<u>33,138,099</u>	<u>4,278,603</u>	<u>3,781,226</u>	<u>385,570</u>	<u>(24,692,700)</u>	<u>-</u>	<u>(24,692,700)</u>
Business-type activities:							
Waste water utility	12,076,506	4,356,439	-	92,741	-	(7,627,326)	(7,627,326)
Water utility	5,586,681	5,260,384	-	39,375	-	(286,922)	(286,922)
Total business-type activities	<u>17,663,187</u>	<u>9,616,823</u>	<u>-</u>	<u>132,116</u>	<u>-</u>	<u>(7,914,248)</u>	<u>(7,914,248)</u>
Total primary government	<u>\$ 50,801,286</u>	<u>\$ 13,895,426</u>	<u>\$ 3,781,226</u>	<u>\$ 517,686</u>	<u>(24,692,700)</u>	<u>(7,914,248)</u>	<u>(32,606,948)</u>
General receipts:							
Property taxes					13,792,401	-	13,792,401
Intergovernmental					1,338,499	-	1,338,499
Other local sources					11,764,410	40,854	11,805,264
Grants and contributions not restricted to specific programs					1,874,841	-	1,874,841
Investment earnings					180,756	250,678	431,434
Interfund loans					(3,158,910)	4,086,725	927,815
Total general receipts and interfund loans					<u>25,791,997</u>	<u>4,378,257</u>	<u>30,170,254</u>
Change in net assets					1,099,297	(3,535,991)	(2,436,694)
Net assets - beginning					<u>8,073,886</u>	<u>15,521,637</u>	<u>23,595,523</u>
Net assets - ending					<u>\$ 9,173,183</u>	<u>\$ 11,985,646</u>	<u>\$ 21,158,829</u>
<u>Assets</u>							
Cash and investments					\$ 4,104,068	\$ 11,985,646	\$ 16,089,714
Restricted assets:							
Cash and investments					5,069,115	-	5,069,115
Total assets					<u>\$ 9,173,183</u>	<u>\$ 11,985,646</u>	<u>\$ 21,158,829</u>
<u>Net Assets</u>							
Restricted for:							
General government					\$ 2,073,674	\$ -	\$ 2,073,674
Highways and streets					956,086	-	956,086
Economic development					1,528,564	\$ -	1,528,564
Capital outlay					510,791	-	510,791
Unrestricted					4,104,068	11,985,646	16,089,714
Total net assets					<u>\$ 9,173,183</u>	<u>\$ 11,985,646</u>	<u>\$ 21,158,829</u>

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

TOWN OF SCHERERVILLE
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2008

	General	Kennedy TIF District Debt Service	Employee Benefit Fund	Drainage Fund	Other Governmental Funds	Totals
Receipts:						
Taxes	\$ 7,173,088	\$ 2,889,399	\$ -	\$ 38,817	\$ 4,028,261	\$ 14,129,565
Special assessments	-	-	-	-	12,172	12,172
Licenses and permits	362,028	-	-	-	74,002	436,030
Intergovernmental	637,775	25,281	-	2,770	4,869,935	5,535,761
Charges for services	880,583	-	-	-	2,627,018	3,507,601
Fines and forfeits	148,147	-	-	-	174,653	322,800
Interfund loans in	50,000	-	-	2,800	2,798,210	2,851,010
Other	179,799	66,052	2,310,620	1,747	368,394	2,926,612
Total receipts	9,431,420	2,980,732	2,310,620	46,134	14,952,645	29,721,551
Disbursements:						
General government	8,026,056	-	1,496,793	36,999	5,109,431	14,669,279
Public safety	-	-	-	-	28,786	28,786
Highways and streets	-	-	-	-	1,562,228	1,562,228
Sanitation	-	-	-	-	1,657,742	1,657,742
Economic development	-	290,640	-	-	83,511	374,151
Culture and recreation	-	-	-	-	635,777	635,777
Interfund loans out	600,000	-	-	5,600	2,553,310	3,158,910
Debt service:						
Principal	8,907,000	265,000	-	-	1,814,311	10,986,311
Interest	105,417	296,306	-	-	250,203	651,926
Capital outlay:						
General government	6,064	-	-	-	238,994	245,058
Highways and streets	-	-	-	-	125,879	125,879
Sanitation	-	-	-	-	48,018	48,018
Economic development	-	2,119,679	-	-	32,937	2,152,616
Culture and recreation	-	-	-	-	328	328
Total disbursements	17,644,537	2,971,625	1,496,793	42,599	14,141,455	36,297,009
Excess (deficiency) of receipts over disbursements	(8,213,117)	9,107	813,827	3,535	811,190	(6,575,458)
Other financing sources (uses):						
Transfers in	64	-	-	-	118,052	118,116
Transfers out	-	-	-	-	(118,116)	(118,116)
Tax anticipation warrants	7,674,755	-	-	-	-	7,674,755
Total other financing sources (uses)	7,674,819	-	-	-	(64)	7,674,755
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(538,298)	9,107	813,827	3,535	811,126	1,099,297
Cash and investment fund balance - beginning	555,255	1,519,457	1,246,877	9,435	4,742,862	8,073,886
Cash and investment fund balance - ending	\$ 16,957	\$ 1,528,564	\$ 2,060,704	\$ 12,970	\$ 5,553,988	\$ 9,173,183
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 16,957	\$ -	\$ -	\$ -	\$ 4,087,111	\$ 4,104,068
Restricted assets:						
Cash and investments	-	1,528,564	2,060,704	12,970	1,466,877	5,069,115
Total cash and investment assets - ending	\$ 16,957	\$ 1,528,564	\$ 2,060,704	\$ 12,970	\$ 5,553,988	\$ 9,173,183
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
General government	\$ -	\$ -	\$ 2,060,704	\$ 12,970	\$ -	\$ 2,073,674
Highways and streets	-	-	-	-	956,086	956,086
Economic development	-	1,528,564	-	-	-	1,528,564
Capital outlay	-	-	-	-	510,791	510,791
Unrestricted	16,957	-	-	-	4,087,111	4,104,068
Total cash and investment fund balance - ending	\$ 16,957	\$ 1,528,564	\$ 2,060,704	\$ 12,970	\$ 5,553,988	\$ 9,173,183

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

TOWN OF SCHERERVILLE
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUNDS
As Of And For The Year Ended December 31, 2008

	Scherverville Wastewater Utility	Scherverville Water Utility	Totals
Operating receipts:			
Fire protection receipts	\$ -	\$ 649,199	\$ 649,199
Fees	4,286,167	4,522,886	8,809,053
Miscellaneous	<u>70,272</u>	<u>88,299</u>	<u>158,571</u>
Total operating receipts	<u>4,356,439</u>	<u>5,260,384</u>	<u>9,616,823</u>
Operating disbursements:			
Administration and general	3,904,329	4,193,160	8,097,489
Collection system	117,778	-	117,778
Treatment and disposal	846,417	-	846,417
Sales	-	265,546	265,546
Refunds	(5,102)	136,618	131,516
Equipment and capital improvements	3,277,589	39,159	3,316,748
Miscellaneous	<u>4,513</u>	<u>-</u>	<u>4,513</u>
Total operating disbursements	<u>8,145,524</u>	<u>4,634,483</u>	<u>12,780,007</u>
Excess (deficiency) of operating receipts over operating disbursements	<u>(3,789,085)</u>	<u>625,901</u>	<u>(3,163,184)</u>
Nonoperating receipts (disbursements):			
Investment income	161,434	89,244	250,678
Refunds	38,494	2,360	40,854
Debt service of principal	(3,822,510)	(785,000)	(4,607,510)
Interest disbursements	<u>(108,472)</u>	<u>(167,198)</u>	<u>(275,670)</u>
Total nonoperating receipts (disbursements)	<u>(3,731,054)</u>	<u>(860,594)</u>	<u>(4,591,648)</u>
Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	(7,520,139)	(234,693)	(7,754,832)
Capital contributions	92,741	39,375	132,116
Interfund loan proceeds	<u>4,086,725</u>	<u>-</u>	<u>4,086,725</u>
Excess (deficiency) of receipts, contributions and transfers in over disbursements and transfers out	(3,340,673)	(195,318)	(3,535,991)
Cash and investment fund balance - beginning	<u>11,091,535</u>	<u>4,430,102</u>	<u>15,521,637</u>
Cash and investment fund balance - ending	<u>\$ 7,750,862</u>	<u>\$ 4,234,784</u>	<u>\$ 11,985,646</u>
<u>Cash and Investment Assets - December 31</u>			
Total cash and investment assets - December 31	<u>\$ 7,750,862</u>	<u>\$ 4,234,784</u>	<u>\$ 11,985,646</u>
<u>Cash and Investment Fund Balance - December 31</u>			
Unrestricted	<u>\$ 7,750,862</u>	<u>\$ 4,234,784</u>	<u>\$ 11,985,646</u>

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

TOWN OF SCHERERVILLE
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2008

	Pension Trust Fund	Agency Funds
Additions:		
Contributions:		
Employer	\$ 91,083	
State	96,066	
Other	104,000	
Total contributions	291,149	
Investment earnings:		
Interest	4,441	
Total additions	295,590	
Deductions:		
Benefits	173,395	
Administrative and general	419	
Interfund loans	112,000	
Total deductions	285,814	
Excess (deficiency) of total additions over total deductions	9,776	
Cash and investment fund balance - beginning	43,463	
Cash and investment fund balance - ending	\$ 53,239	\$ 507,431

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

TOWN OF SCHERERVILLE
NOTES TO FINANCIAL STATEMENTS

I. 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 Council-Mayor form of government and provides 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, and urban redevelopment.

The Town's financial reporting entity is composed of only the Primary Government.

In determining the financial reporting entity, the Town complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Jointly Governed Organization

The Town, in conjunction with the Town of Dyer, Indiana, the Town of Highland and the Town of St. John, has created the Quad Town Safety Village, Inc. (Corporation). The Corporation was organized in 1994 exclusively for charitable, religious, educational, and scientific purposes. An annual donation of \$2,000 is requested of each member of the Corporation.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Kennedy tax incentive finance (TIF) district debt service fund accounts for Kennedy TIF bond debt service payments, legal and accounting fees, engineering and consulting fees and contracts payments for improvements within the TIF district or areas servicing the TIF district.

TOWN OF SCHERERVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

The employee benefit fund accounts for the group health insurance and workman's compensation provided to Town employees through a third party administrator. It also accounts for life insurance premium payments.

The drainage fund accounts for payments to contractors for drainage and flooding projects.

The Town reports the following major proprietary funds:

The water utility fund accounts for the operation of the water distribution system.

The wastewater utility fund accounts for the operation of the wastewater treatment plant, pumping stations, and collection systems.

Additionally, the Town reports the following fund types:

The pension trust fund accounts for the activities of the 1925 police fund, which accumulate resources for pension benefit payments.

Agency funds account for assets held by the Town as an agent for state and other local governmental entities and payroll withholding remittances and serve as control of accounts for certain cash transactions during the time they are a liability to the Town.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment 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. Investment transactions are not presented on the financial statements.

If the Town utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the water and wastewater functions. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

TOWN OF SCHERERVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Enterprise funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating receipts of the enterprise funds are charges to customers for sales and services. Operating disbursements for enterprise funds include the cost of sales and services and administrative costs. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements.

D. Assets and Cash and Investment Balances

1. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as interest receipts in the year of the sale of the investment.

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town in June and in 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 Town on or prior to December 31 of the year collected.

3. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

4. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

5. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

TOWN OF SCHERERVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the Town's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

- 1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
- 2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
- 3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

TOWN OF SCHERERVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the Town submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the Town receives approval of the Indiana Department of Local Government Finance.

The Town's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The Town does not have a deposit policy for custodial credit risk. At December 31, 2008, the Town had deposit balances in the amount of \$15,643,895.

The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

TOWN OF SCHERERVILLE
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

2. Investments

As of December 31, 2008, the Town had the following investments:

Investment Type	Primary Government Market Value
U.S. agencies	\$ 1,433,100

Statutory Authorization for Investments

Indiana Code 5-13-9 authorizes the Town to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the Town to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the Town and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the Town may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the Town's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

TOWN OF SCHERERVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2008, were as follows:

Transfer From	Transfer To	2008
Other governmental funds	General Fund	\$ 64
	Other governmental funds	<u>118,052</u>
Total		<u>\$ 118,116</u>

The Town typically uses transfers for cash flow purposes as provided by various statutory provisions.

IV. Other Information

A. Risk Management

The Town is 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 (excluding postemployment benefits); and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. Risk financing is not utilized for the other risks of loss.

The Town has chosen to establish a risk financing fund for risks associated with medical benefits to employees. The risk financing fund is accounted for in the Employee Benefit Fund where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$35,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each affected fund and are reported as quasi-external interfund transactions.

B. Holding Corporation

The Town has entered into a capital lease with the Schererville Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the Town. Lease payments during the year totaled \$1,019,000.

TOWN OF SCHERERVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. High Intensity Drug Trafficking Area (HIDTA)

On December 30, 2008, the Town of Schererville discontinued accounting for the High Intensity Drug Trafficking Area (HIDTA) program.

D. Subsequent Events

Beginning in 2009, the State Pension Relief Fund shall pay to each unit of local government with Pre-1977 Local Police and Fire Fighter Pension obligations, the total amount of pension, disability, and survivor benefit payments. The Pre-1977 funds include the 1925 Police Pension Fund, the 1937 Firefighters' Fund, and the 1953 Police Pension Fund. For property taxes due and payable after December 31, 2008, the Indiana Department of Local Government Finance shall reduce the maximum permissible property tax levy of any civil taxing unit and special service district by the amount of the payment to be made in 2009 by the State for the obligations.

Due to delays caused by trending of assessments, the assessed valuations of Lake County were not finalized by February 15, 2009, as required. Therefore, the 2008 pay 2009 property tax rates and levies, as well as related budget orders for 2009, were not established until July 31, 2009. Currently, the County is anticipating billing the 2008 pay 2009 taxes in two installments with due dates of October 29 and November 30, 2009.

On January 29, 2009, the Town of Schererville received tax anticipation warrants in the amount of \$2,979,899 at 1.79% interest from Indiana Bond Bank due in part on June 30, 2009, with the option to pay no later than December 31, 2009 if no tax distributions were received. The Town had not received any tax distributions as of September 21, 2009.

On March 2, 2009, the Town of Schererville entered into a lease with the Indiana Bond Bank H.E.L.P. program for \$1,084,609 for the purchase of various department vehicles. The semi-annual payment will be \$108,460 to be paid from the Cumulative Capital Development Fund over the next five years.

On July 27, 2009, the Indiana Department of Revenue performed an audit of the Town of Schererville's sales tax. The Town's Water Utility did not pay sales tax on hydrant rental revenue. The Utility was assessed sales tax and interest in the amounts of \$87,870 and \$9,033, respectively, for a total of \$96,903. The Town is negotiating to have the amounts reduced.

On August 26, 2009, the Town of Schererville, authorized the acquisition, construction and installation of certain improvements and extensions to the Town's Sewage Works, the issuance and sale of revenue bonds to provide funds for the payment of the costs, the issuance and sale of such bond anticipation notes in anticipation of the issuance and sale of such bonds and the collection, segregation and distribution of the revenues of such sewage works, and all related matters. The total costs of the projects are not to exceed \$13, 500,000.

E. Other Postemployment Benefits

Single-Employer Defined Benefit Healthcare Plan

Plan Description

Town of Schererville Employee Benefit Plan is a single-employer defined benefit healthcare plan administered by the Town of Schererville by Employee Benefit Consultants (EBC). The plan provides medical, dental and vision insurance to current employees and eligible retirees and their spouses. Ordinance No. 1093 assigns the authority to establish and amend benefit provisions to

TOWN OF SCHERERVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

the Town. The Town of Schererville Employee Benefit Plan issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for the participants. That report may be obtained by contacting the plan administrator:

Town of Schererville
10 East Joliet Street
Schererville, IL 46375
(219) 322-3581

Employee Benefit Consultants
P.O. Box 928
Findlay, OH 45839
(800) 558-7798

Funding Policy

The contribution requirements of plan members for the Town of Schererville Employee Benefit Plan are established by the Town Council. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the governing board. For the year ended December 31, 2008, the Town contributed \$2,269,778 to the plan for both current employees and retirees, including current premiums. Plan members receiving benefits contributed through payroll deduction for current employees and the retirees pay approximately one-third (1/3rd) of the total premiums monthly. The Town of Schererville pays the other two-thirds (2/3rd) of the premium for the retirees. Since the retirees were included in the plan with current we were unable to determine the cost related to retirees.

F. Rate Structure – Enterprise Funds

Water Utility

The current rate structure was approved by the Indiana Utility Regulatory Commission on May 8, 1996.

Wastewater Utility

The current rate structure was approved by the Town Council on July 13, 1994.

G. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

a. 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 the 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

TOWN OF SCHERERVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

the member's annuity savings account. The annuity savings account consists of member's 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. The 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

PERF members are required to contribute 3 percent of their annual covered salary. The Town is required to contribute at an actuarially determined rate; the current rate is 7.5 percent of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by the PERF Board of Trustees.

Information to segregate the assets/liabilities and the actuarial study figures between the Town and the Utilities is not available.

Annual Pension Cost

For 2008, the Town's annual pension cost was \$309,938 for PERF while the Town's required and actual contributions were \$309,446 and \$312,078, respectively.

b. 1925 Police Officers' Pension Plan

Plan Description

The Town contributes to the 1925 Police Officers' Pension Plan, which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

Plan members are required by state statute (IC 36-8-6-4) to contribute an amount equal to six percent (6%) of the salary of a first class patrolman. The Town is required to contribute an amount equal to the funding deficit of the difference between receipts of the fund and the required disbursements of the fund (pay-as-you-go basis); the amount contributed for 2008 is \$ 191,590. The contribution requirements of plan members and the Town are established by state statute. Of this amount, \$96,066 is contributed by the State of Indiana on behalf of the Town. On behalf of the Town contributions from the State of Indiana approximates the amount paid out for benefits.

TOWN OF SCHERERVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

After 1997, the Town no longer has any current police officers on the 1925 Police Officers' Pension Plan, only retirees and beneficiaries. Therefore, there is no covered payroll for which contributions were made.

Annual Pension Cost

For 2008, the Town's annual pension cost was \$193,000 for the 1925 Police Officers Pension Plan. The Town's actual contribution was \$191,590.

Actuarial Information for the Above Plans

	<u>PERF</u>	<u>1925 Police Officers' Pension</u>
Annual required contribution	\$ 309,446	\$ 212,500
Interest on net pension obligation	(3,526)	74,400
Adjustment to annual required contribution	<u>4,018</u>	<u>(93,900)</u>
Annual pension cost	309,938	193,000
Contributions made	<u>312,078</u>	<u>191,590</u>
Increase (decrease) in net pension obligation	(2,140)	1,410
Net pension obligation, beginning of year	<u>(48,629)</u>	<u>1,240,700</u>
Net pension obligation, end of year	<u>\$ (50,769)</u>	<u>\$ 1,242,110</u>

	<u>PERF</u>	<u>1925 Police Officers' Pension Plan</u>
Contribution rates:		
Town	7.25%	21%
Plan members	3%	6%
Actuarial valuation date	07-01-08	01-01-08
Actuarial cost method	Entry age normal cost	Entry age
Amortization method	Level dollar, closed amortization period	Level percentage of projected payroll, closed
Amortization period	30 years	30 years
Amortization period (from date)	07-01-07	01-01-05
Asset valuation method	75% of expected actuarial value plus 25% of market value	4 year phase in of unrealized and realized capital
Amortization period	30 years	30 years
Amortization period (from date)	07-01-07	12-31-97
Asset valuation method	Level dollar, closed amortization period	4 year smoothed market

TOWN OF SCHERERVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Actuarial Assumptions</u>	<u>PERF</u>	<u>1925 Police Officers' Pension Plan</u>
Investment rate of return	7.25%	6%
Projected future salary increases:		
Total	4%	4%
Cost-of-living adjustments	1.5%	2.75/4%*
Investment rate of return	7.25%	7%
Projected future salary increases:		
Total	4%	5%
Cost-of-living adjustments	1.5%	2%

*2.75% converted members; 4% nonconverted members

Three Year Trend Information

	<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
PERF	06-30-06	\$ 251,050	95%	\$ (72,306)
	06-30-07	286,831	92%	(48,629)
	06-30-08	309,938	101%	(50,769)
1925 Police Officers' Pension Plan	12-31-06	195,300	0%	1,047,300
	12-31-07	193,400	0%	1,240,700
	12-31-08	193,000	0%	1,242,110

Membership in the 1925 Police Officers' Pension Plan and the 1937 Firefighters' Pension Plan at January 1, 2008, was comprised of the following:

	<u>1925 Police Officers' Pension</u>
Retirees and beneficiaries currently receiving benefits	8
Terminated employees entitled to but not yet receiving benefits	-
Current active employees	-

Funded Status and Funding Progress for the Above Plans

The funded status of each plan as of January 1, 2008, the most recent actuarial valuation date (except the 1925 Police Officers' pension fund which is as of July 1, 2008) is as follows:

TOWN OF SCHERERVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Retirement Plan	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL or (Funding Excess (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded AAL or (Funding Excess) as a Percentage of Covered Payroll ((b-a)/c)
PERF	\$3,890,556	\$4,906,507	\$ (1,015,951)	(483%)	\$4,794,713	21%
1925 Police Officers' Pension Plan	43,463	2,888,900	(2,845,437)	2%	*	*

*After 1997, the Town no longer has any current police officers on the 1925 Police Officers' Pension Plan, only retirees and beneficiaries. Therefore, there is no covered payroll.

The Schedule of Funding Progress, presented as RSI for the above plans following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The Town contributes to the 1977 Police Officers' and Firefighters' Pension and Disability Fund, a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (PERF) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting and requirements for contributions by employers and by employees. Covered employees may retire at age 55 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 55. The plan also provides for death and disability benefits.

PERF 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

TOWN OF SCHERERVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy and Annual Pension Costs

Plan members are required to contribute 6% of the first-class police officers' and firefighters' salary and the Town is to contribute at an actuarially determined rate. The current rate, which has not changed since the inception of the plan, is 21% of the first-class police officers' and firefighters' salary. The contribution requirements of plan members and the Town are established by the Board of Trustees of PERF. The Town's contributions to the plan for the years ending December 31, 2008, 2007, and 2006, were \$679,553, \$638,380, and \$608,307, respectively, equal to the required contributions for each year.

TOWN OF SCHERERVILLE
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 3,048,050	\$ 3,871,866	\$ (823,816)	79%	\$ 3,888,193	(21%)
07-01-07	3,570,623	4,452,363	(881,740)	80%	4,153,544	(21%)
07-01-08	3,890,556	4,906,507	(1,015,951)	79%	4,794,713	(21%)

1925 Police Officers' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-03	\$ 194,474	\$ 2,428,100	\$ (2,233,626)	8%	*	*
01-01-04	140,921	2,999,000	(2,858,079)	5%	*	*
01-01-05	69,756	2,913,800	(2,844,044)	2%	*	*
01-01-06	20,872	2,894,100	(2,873,228)	1%	*	*
01-01-07	21,486	2,878,500	(2,857,014)	1%	*	*
01-01-08	43,463	2,888,900	(2,845,437)	2%	*	*

*Note: After 1997, the Town no longer has any current police officers on the 1925 Police Officers' Pension, only retirees and beneficiaries. Therefore, there is no covered payroll.

TOWN OF SCHERERVILLE
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS FROM THE
 EMPLOYER AND OTHER CONTRIBUTING ENTITIES

1925 Police Officers' Pension Plan

Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	
		City	State
12-31-03	\$ 328,500	1%	28%
12-31-04	342,600	0%	24%
12-31-05	205,700	10%	40%
12-31-06	206,900	43%	41%
12-31-07	208,700	38%	40%
12-31-08	212,500	45%	45%

TOWN OF SCHERERVILLE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008

	Motor Vehicle Highway	Local Road And Street	Law Enforcement Continuing Education	Parks And Recreation	Major Moves Construction	Lake County Gaming Tax	Pennsy/Greenwy Bike Trail
Receipts:							
Taxes	\$ 526,537	\$ -	\$ -	\$ 613,158	\$ -	\$ 332,487	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	11,795	-	-	-	-
Intergovernmental	737,018	278,598	-	44,328	-	-	-
Charges for services	4,963	-	24,287	59,000	-	-	21,000
Fines and forfeits	-	-	4,655	-	-	-	-
Interfund loans in	-	-	-	685,000	-	-	-
Other	26,258	-	9,881	515	-	1,779	-
Total receipts	1,294,776	278,598	50,618	1,402,001	-	334,266	21,000
Disbursements:							
General government	-	-	-	-	-	187,838	-
Public safety	-	-	28,786	-	-	-	-
Highways and streets	1,446,469	112,672	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	635,777	-	-	-
Interfund loans out	-	-	-	820,000	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	45,497	-
Highways and streets	900	12,716	-	-	112,263	-	-
Sanitation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	328	-	-	-
Total disbursements	1,447,369	125,388	28,786	1,456,105	112,263	233,335	-
Excess (deficiency) of receipts over disbursements	(152,593)	153,210	21,832	(54,104)	(112,263)	100,931	21,000
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(152,593)	153,210	21,832	(54,104)	(112,263)	100,931	21,000
Cash and investment fund balance - beginning	303,250	324,199	22,161	102,587	590,940	339,768	20,127
Cash and investment fund balance - ending	\$ 150,657	\$ 477,409	\$ 43,993	\$ 48,483	\$ 478,677	\$ 440,699	\$ 41,127
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 150,657	\$ -	\$ 43,993	\$ 48,483	\$ -	\$ 440,699	\$ 41,127
Restricted assets:							
Cash and investments	-	477,409	-	-	478,677	-	-
Total cash and investment assets - ending	\$ 150,657	\$ 477,409	\$ 43,993	\$ 48,483	\$ 478,677	\$ 440,699	\$ 41,127
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Highways and streets	\$ -	\$ 477,409	\$ -	\$ -	\$ 478,677	\$ -	\$ -
Capital outlay	-	-	-	-	-	-	-
Unrestricted	150,657	-	43,993	48,483	-	440,699	41,127
Total cash and investment fund balance - ending	\$ 150,657	\$ 477,409	\$ 43,993	\$ 48,483	\$ 478,677	\$ 440,699	\$ 41,127

TOWN OF SCHERERVILLE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	HIDTA Revenue Non-Reverting Fund	Farmers' Market Non-Reverting Fund	TIF-2005 Construction Fund	Schererville Newspaper Fund	Donation Fund	U.S. Postage Stamp Fund
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	184,908	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Interfund loans in	-	-	-	-	-	-
Other	35,428	6,450	-	3,418	239,295	4,098
Total receipts	220,336	6,450	-	3,418	239,295	4,098
Disbursements:						
General government	136,874	3,332	-	3,008	284,603	4,406
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Interfund loans out	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	136,874	3,332	-	3,008	284,603	4,406
Excess (deficiency) of receipts over disbursements	83,462	3,118	-	410	(45,308)	(308)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(59)	-	-	-
Total other financing sources (uses)	-	-	(59)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	83,462	3,118	(59)	410	(45,308)	(308)
Cash and investment fund balance - beginning	-	3,984	59	50	119,817	739
Cash and investment fund balance - ending	<u>\$ 83,462</u>	<u>\$ 7,102</u>	<u>\$ -</u>	<u>\$ 460</u>	<u>\$ 74,509</u>	<u>\$ 431</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 83,462	\$ 7,102	\$ -	\$ 460	\$ 74,509	\$ 431
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 83,462</u>	<u>\$ 7,102</u>	<u>\$ -</u>	<u>\$ 460</u>	<u>\$ 74,509</u>	<u>\$ 431</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital outlay	-	-	-	-	-	-
Unrestricted	83,462	7,102	-	460	74,509	431
Total cash and investment fund balance - ending	<u>\$ 83,462</u>	<u>\$ 7,102</u>	<u>\$ -</u>	<u>\$ 460</u>	<u>\$ 74,509</u>	<u>\$ 431</u>

TOWN OF SCHERERVILLE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Central Purchasing Fund	Deposits N/R Escrow Fund	Clerk's Perpetuation Fund	Special Deferral Program Fund	Adult Probation Services Fund
Receipts:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	4,550	58,986	67,523
Interfund loans in	-	-	-	-	-
Other	2,698	1,270	-	-	-
Total receipts	2,698	1,270	4,550	58,986	67,523
Disbursements:					
General government	85	1,270	4,554	66,877	56,518
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Interfund loans out	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay:					
General government	-	-	-	-	-
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Total disbursements	85	1,270	4,554	66,877	56,518
Excess (deficiency) of receipts over disbursements	2,613	-	(4)	(7,891)	11,005
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,613	-	(4)	(7,891)	11,005
Cash and investment fund balance - beginning	5,685	400	1,122	59,476	-
Cash and investment fund balance - ending	<u>\$ 8,298</u>	<u>\$ 400</u>	<u>\$ 1,118</u>	<u>\$ 51,585</u>	<u>\$ 11,005</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 8,298	\$ 400	\$ 1,118	\$ 51,585	\$ 11,005
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 8,298</u>	<u>\$ 400</u>	<u>\$ 1,118</u>	<u>\$ 51,585</u>	<u>\$ 11,005</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -
Capital outlay	-	-	-	-	-
Unrestricted	8,298	400	1,118	51,585	11,005
Total cash and investment fund balance - ending	<u>\$ 8,298</u>	<u>\$ 400</u>	<u>\$ 1,118</u>	<u>\$ 51,585</u>	<u>\$ 11,005</u>

TOWN OF SCHERERVILLE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Public Defender Fund	Cable TV	77Th Ave Road Improvement	Stormwater Permit Fee Non-Reverting	Ambulance Service
Receipts:					
Taxes	\$ -	\$ 4,677	\$ -	\$ -	\$ 267,041
Special assessments	-	-	-	-	-
Licenses and permits	-	-	-	25,281	-
Intergovernmental	-	-	-	-	19,986
Charges for services	-	303,405	-	-	394,891
Fines and forfeits	6,159	-	-	-	-
Interfund loans in	-	-	-	-	-
Other	-	-	-	-	13,967
Total receipts	6,159	308,082	-	25,281	695,885
Disbursements:					
General government	6,250	199,736	-	50	689,274
Public safety	-	-	-	-	-
Highways and streets	-	-	3,087	-	-
Sanitation	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Interfund loans out	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay:					
General government	-	-	-	-	-
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Total disbursements	6,250	199,736	3,087	50	689,274
Excess (deficiency) of receipts over disbursements	(91)	108,346	(3,087)	25,231	6,611
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(26,080)
Total other financing sources (uses)	-	-	-	-	(26,080)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(91)	108,346	(3,087)	25,231	(19,469)
Cash and investment fund balance - beginning	4,241	289,739	3,087	5,150	143,277
Cash and investment fund balance - ending	<u>\$ 4,150</u>	<u>\$ 398,085</u>	<u>\$ -</u>	<u>\$ 30,381</u>	<u>\$ 123,808</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 4,150	\$ 398,085	\$ -	\$ 30,381	\$ 123,808
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 4,150</u>	<u>\$ 398,085</u>	<u>\$ -</u>	<u>\$ 30,381</u>	<u>\$ 123,808</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -
Capital outlay	-	-	-	-	-
Unrestricted	4,150	398,085	-	30,381	123,808
Total cash and investment fund balance - ending	<u>\$ 4,150</u>	<u>\$ 398,085</u>	<u>\$ -</u>	<u>\$ 30,381</u>	<u>\$ 123,808</u>

TOWN OF SCHERERVILLE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Special Ambulance Equipment Non-Reverting	Fire Equipment Fund	Emergency Medical Services	Police Equipment Fund	Asset Forfeiture-Federal
Receipts:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	30,466
Charges for services	-	6,100	142	12,729	-
Fines and forfeits	-	-	-	18,980	-
Interfund loans in	-	-	-	-	-
Other	-	1,709	-	2,423	188
Total receipts	-	7,809	142	34,132	30,654
Disbursements:					
General government	-	-	-	26,565	28,353
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Interfund loans out	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay:					
General government	15,013	17,606	-	-	-
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Total disbursements	15,013	17,606	-	26,565	28,353
Excess (deficiency) of receipts over disbursements	(15,013)	(9,797)	142	7,567	2,301
Other financing sources (uses):					
Transfers in	26,080	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	26,080	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	11,067	(9,797)	142	7,567	2,301
Cash and investment fund balance - beginning	20,980	21,351	215	11,094	17,209
Cash and investment fund balance - ending	<u>\$ 32,047</u>	<u>\$ 11,554</u>	<u>\$ 357</u>	<u>\$ 18,661</u>	<u>\$ 19,510</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 32,047	\$ 11,554	\$ 357	\$ 18,661	\$ 19,510
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 32,047</u>	<u>\$ 11,554</u>	<u>\$ 357</u>	<u>\$ 18,661</u>	<u>\$ 19,510</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -
Capital outlay	-	-	-	-	-
Unrestricted	32,047	11,554	357	18,661	19,510
Total cash and investment fund balance - ending	<u>\$ 32,047</u>	<u>\$ 11,554</u>	<u>\$ 357</u>	<u>\$ 18,661</u>	<u>\$ 19,510</u>

TOWN OF SCHERERVILLE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Asset Seizure	Asset Forfeiture-State	Police Training Fund	Park Impact Fee Fund	Park Non-Reverting Fund
Receipts:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	12,172	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	146,176
Fines and forfeits	-	-	13,800	-	-
Interfund loans in	-	-	-	-	-
Other	1	1	31	-	-
	<u>1</u>	<u>1</u>	<u>13,831</u>	<u>12,172</u>	<u>146,176</u>
Total receipts	1	1	13,831	12,172	146,176
Disbursements:					
General government	-	-	3,360	133,401	149,019
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Interfund loans out	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay:					
General government	-	-	-	35,110	-
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>3,360</u>	<u>168,511</u>	<u>149,019</u>
Total disbursements	-	-	3,360	168,511	149,019
Excess (deficiency) of receipts over disbursements	1	1	10,471	(156,339)	(2,843)
Other financing sources (uses):					
Transfers in	-	-	-	91,972	-
Transfers out	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,972</u>	<u>-</u>
Total other financing sources (uses)	-	-	-	91,972	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1	1	10,471	(64,367)	(2,843)
Cash and investment fund balance - beginning	364	407	5,708	346,857	32,361
Cash and investment fund balance - ending	<u>\$ 365</u>	<u>\$ 408</u>	<u>\$ 16,179</u>	<u>\$ 282,490</u>	<u>\$ 29,518</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 365	\$ 408	\$ 16,179	\$ 282,490	\$ 29,518
Restricted assets:					
Cash and investments	-	-	-	-	-
	<u>\$ 365</u>	<u>\$ 408</u>	<u>\$ 16,179</u>	<u>\$ 282,490</u>	<u>\$ 29,518</u>
Total cash and investment assets - ending	<u>\$ 365</u>	<u>\$ 408</u>	<u>\$ 16,179</u>	<u>\$ 282,490</u>	<u>\$ 29,518</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -
Capital outlay	-	-	-	-	-
Unrestricted	365	408	16,179	282,490	29,518
	<u>365</u>	<u>408</u>	<u>16,179</u>	<u>282,490</u>	<u>29,518</u>
Total cash and investment fund balance - ending	<u>\$ 365</u>	<u>\$ 408</u>	<u>\$ 16,179</u>	<u>\$ 282,490</u>	<u>\$ 29,518</u>

TOWN OF SCHERERVILLE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Park District Bonds Of 2004	Police Grants Fund	Schererville Safe Kids Chapter	HIDTA Fund	Video Fund
Receipts:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	4,955	-	3,041,634	-
Charges for services	-	-	-	-	875
Fines and forfeits	-	-	-	-	-
Interfund loans in	-	-	-	-	-
Other	371	-	5,460	2,805	-
Total receipts	371	4,955	5,460	3,044,439	875
Disbursements:					
General government	113,588	-	7,415	2,976,153	321
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Interfund loans out	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay:					
General government	-	14,095	-	85,762	-
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Total disbursements	113,588	14,095	7,415	3,061,915	321
Excess (deficiency) of receipts over disbursements	(113,217)	(9,140)	(1,955)	(17,476)	554
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(113,217)	(9,140)	(1,955)	(17,476)	554
Cash and investment fund balance - beginning	134,546	13,864	4,839	80,700	21,543
Cash and investment fund balance - ending	<u>\$ 21,329</u>	<u>\$ 4,724</u>	<u>\$ 2,884</u>	<u>\$ 63,224</u>	<u>\$ 22,097</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 21,329	\$ 4,724	\$ 2,884	\$ 63,224	\$ 22,097
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 21,329</u>	<u>\$ 4,724</u>	<u>\$ 2,884</u>	<u>\$ 63,224</u>	<u>\$ 22,097</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -
Capital outlay	-	-	-	-	-
Unrestricted	21,329	4,724	2,884	63,224	22,097
Total cash and investment fund balance - ending	<u>\$ 21,329</u>	<u>\$ 4,724</u>	<u>\$ 2,884</u>	<u>\$ 63,224</u>	<u>\$ 22,097</u>

TOWN OF SCHERERVILLE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Impact Fees Fund	Solid Waste Management	Improvement Inspection Fee Non-Reverting	Subdivision Revenue Professional Fee Non-Reverting	Park Grant Fund Non-Reverting
Receipts:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Licenses and permits	-	-	36,926	-	-
Intergovernmental	-	239,808	-	-	106,972
Charges for services	-	1,448,385	-	20,157	-
Fines and forfeits	-	-	-	-	-
Interfund loans in	-	-	-	-	-
Other	-	-	-	-	-
Total receipts	-	1,688,193	36,926	20,157	106,972
Disbursements:					
General government	-	-	6,918	19,663	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Sanitation	-	1,657,742	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Interfund loans out	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay:					
General government	-	-	-	-	15,000
Highways and streets	-	-	-	-	-
Sanitation	-	48,018	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Total disbursements	-	1,705,760	6,918	19,663	15,000
Excess (deficiency) of receipts over disbursements	-	(17,567)	30,008	494	91,972
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(91,972)
Total other financing sources (uses)	-	-	-	-	(91,972)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(17,567)	30,008	494	-
Cash and investment fund balance - beginning	21,789	521,029	-	-	-
Cash and investment fund balance - ending	<u>\$ 21,789</u>	<u>\$ 503,462</u>	<u>\$ 30,008</u>	<u>\$ 494</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 21,789	\$ 503,462	\$ 30,008	\$ 494	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 21,789</u>	<u>\$ 503,462</u>	<u>\$ 30,008</u>	<u>\$ 494</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -
Capital outlay	-	-	-	-	-
Unrestricted	21,789	503,462	30,008	494	-
Total cash and investment fund balance - ending	<u>\$ 21,789</u>	<u>\$ 503,462</u>	<u>\$ 30,008</u>	<u>\$ 494</u>	<u>\$ -</u>

TOWN OF SCHERERVILLE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Waterworks Bond Debt Service	Park District Bond Debt Service	General Obligation Bond/Bridge Debt Service	Redevelopment District Bond Debt Service	Building Corporation Lease
Receipts:					
Taxes	\$ -	\$ 145,132	\$ 207,242	\$ 292,994	\$ 1,093,751
Special assessments	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	10,092	13,653	20,975	82,316
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Interfund loans in	-	161,857	236,442	334,025	1,195,930
Other	-	-	-	-	-
Total receipts	-	317,081	457,337	647,994	2,371,997
Disbursements:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Interfund loans out	-	112,957	204,942	221,025	1,094,930
Debt service:					
Principal	-	60,000	150,000	185,000	1,019,000
Interest	-	77,188	52,063	80,065	-
Capital outlay:					
General government	-	-	-	-	-
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Total disbursements	-	250,145	407,005	486,090	2,113,930
Excess (deficiency) of receipts over disbursements	-	66,936	50,332	161,904	258,067
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	66,936	50,332	161,904	258,067
Cash and investment fund balance - beginning	27,144	35,902	53,906	70,979	251,019
Cash and investment fund balance - ending	\$ 27,144	\$ 102,838	\$ 104,238	\$ 232,883	\$ 509,086
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 27,144	\$ 102,838	\$ 104,238	\$ 232,883	\$ 509,086
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	\$ 27,144	\$ 102,838	\$ 104,238	\$ 232,883	\$ 509,086
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -
Capital outlay	-	-	-	-	-
Unrestricted	27,144	102,838	104,238	232,883	509,086
Total cash and investment fund balance - ending	\$ 27,144	\$ 102,838	\$ 104,238	\$ 232,883	\$ 509,086

TOWN OF SCHERERVILLE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Storm Sewer Bond Debt Service	Cumulative Capital Improvement Cigarette Tax	Cumulative Capital Development	General Obligation Bond/77Th Avenue Bridge	Totals
Receipts:					
Taxes	\$ 171,225	\$ -	\$ 374,017	\$ -	\$ 4,028,261
Special assessments	-	-	-	-	12,172
Licenses and permits	-	-	-	-	74,002
Intergovernmental	12,269	80,816	146,049	-	4,869,935
Charges for services	-	-	-	-	2,627,018
Fines and forfeits	-	-	-	-	174,653
Interfund loans in	184,956	-	-	-	2,798,210
Other	-	5,000	5,348	-	368,394
Total receipts	368,450	85,816	525,414	-	14,952,645
Disbursements:					
General government	-	-	-	-	5,109,431
Public safety	-	-	-	-	28,786
Highways and streets	-	-	-	-	1,562,228
Sanitation	-	-	-	-	1,657,742
Economic development	-	83,511	-	-	83,511
Culture and recreation	-	-	-	-	635,777
Interfund loans out	99,456	-	-	-	2,553,310
Debt service:					
Principal	145,000	-	255,311	-	1,814,311
Interest	12,784	-	28,103	-	250,203
Capital outlay:					
General government	-	-	10,911	-	238,994
Highways and streets	-	-	-	-	125,879
Sanitation	-	-	-	-	48,018
Economic development	-	32,937	-	-	32,937
Culture and recreation	-	-	-	-	328
Total disbursements	257,240	116,448	294,325	-	14,141,455
Excess (deficiency) of receipts over disbursements	111,210	(30,632)	231,089	-	811,190
Other financing sources (uses):					
Transfers in	-	-	-	-	118,052
Transfers out	-	-	-	(5)	(118,116)
Total other financing sources (uses)	-	-	-	(5)	(64)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	111,210	(30,632)	231,089	(5)	811,126
Cash and investment fund balance - beginning	43,615	385,876	279,702	5	4,742,862
Cash and investment fund balance - ending	\$ 154,825	\$ 355,244	\$ 510,791	\$ -	\$ 5,553,988
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 154,825	\$ 355,244	\$ -	\$ -	\$ 4,087,111
Restricted assets:					
Cash and investments	-	-	510,791	-	1,466,877
Total cash and investment assets - ending	\$ 154,825	\$ 355,244	\$ 510,791	\$ -	\$ 5,553,988
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ 956,086
Capital outlay	-	-	510,791	-	510,791
Unrestricted	154,825	355,244	-	-	4,087,111
Total cash and investment fund balance - ending	\$ 154,825	\$ 355,244	\$ 510,791	\$ -	\$ 5,553,988

TOWN OF SCHERERVILLE
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2008

	Payroll	Payroll Withholding-Federal	Payroll Withholding-State	Payroll Withholding- Insurance	Payroll Withholding-Us Bonds	Payroll Withholdings-Union Dues	Payroll Withholding-Uniforms
Additions:							
Agency fund additions	\$ 10,161,669	\$ 1,212,323	\$ 317,153	\$ 133,967	\$ 10,533	\$ 3,157	\$ 814
Deductions:							
Agency fund deductions	10,160,846	1,212,323	317,153	133,887	10,533	2,751	-
Excess (deficiency) of total additions over total deductions	823	-	-	80	-	406	814
Cash and investment fund balance - beginning	354	6,325	5,340	281	-	-	1,164
Cash and investment fund balance - ending	<u>\$ 1,177</u>	<u>\$ 6,325</u>	<u>\$ 5,340</u>	<u>\$ 361</u>	<u>\$ -</u>	<u>\$ 406</u>	<u>\$ 1,978</u>

TOWN OF SCHERERVILLE
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	<u>Payroll Withholding-Police Pension</u>	<u>Payroll Withholding- Fica/Medicare</u>	<u>Payroll Withholding-Perf</u>	<u>Payroll Withholding ISPP</u>	<u>Payroll Withholding ISFP</u>	<u>Payroll Withholding Credit Union #2- Employees</u>
Additions:						
Agency fund additions	\$ -	\$ 979,893	\$ 143,291	\$ 159,022	\$ 37,523	\$ 6,000
Deductions:						
Agency fund deductions	-	979,893	143,842	155,871	35,785	6,000
Excess (deficiency) of total additions over total deductions	-	-	(551)	3,151	1,738	-
Cash and investment fund balance - beginning	4,286	11,852	34,632	30,445	8,710	-
Cash and investment fund balance - ending	<u>\$ 4,286</u>	<u>\$ 11,852</u>	<u>\$ 34,081</u>	<u>\$ 33,596</u>	<u>\$ 10,448</u>	<u>\$ -</u>

TOWN OF SCHERERVILLE
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Payroll Withholding Garnishee	Payroll Withholding Deferred Savings	Payroll Withholding CAGIT	Payroll Withholding- AFLAC	Town Court	Totals
Additions:						
Agency fund additions	\$ 117,406	\$ 134,385	\$ 7,067	\$ 92,711	\$ 1,100,267	\$ 14,617,181
Deductions:						
Agency fund deductions	117,400	134,385	7,067	92,210	1,083,116	14,593,062
Excess (deficiency) of total additions over total deductions	6	-	-	501	17,151	24,119
Cash and investment fund balance - beginning	30	1,175	162	4,204	374,352	483,312
Cash and investment fund balance - ending	<u>\$ 36</u>	<u>\$ 1,175</u>	<u>\$ 162</u>	<u>\$ 4,705</u>	<u>\$ 391,503</u>	<u>\$ 507,431</u>

TOWN OF SCHERERVILLE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2008

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 3,576,010
Infrastructure	45,681,369
Buildings	11,037,680
Improvements other than buildings	14,573,445
Machinery and equipment	9,299,037
Construction in progress	<u>8,860,256</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 93,027,797</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 272,887
Infrastructure	20,439,961
Buildings	3,793,058
Improvements other than buildings	5,999,451
Machinery and equipment	767,859
Construction in progress	<u>2,814,828</u>
 Total Water Utility capital assets	 <u>34,088,044</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	\$ 78,798
Infrastructure	15,399,286
Buildings	7,473,444
Improvements other than buildings	3,258,518
Machinery and equipment	2,389,250
Treatment Plant	10,537,572
Construction in progress	<u>7,831,005</u>
 Total Wastewater Utility capital assets	 <u>46,967,873</u>
 Total business-type activities, capital assets not being depreciated	 <u>\$ 81,055,917</u>

TOWN OF SCHERERVILLE
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
December 31, 2008

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
2002 Town Hall/Police Station	\$ 9,140,000	\$ 1,019,500
2005 Police Cars	23,055	23,523
2006 Ambulance/Mower/Schedule 1	83,091	87,099
2007 Trucks/Police Cars/Schedule 2	139,138	73,897
2007 Freightliner/Fire Vehicles/Schedule 3	140,920	75,373
2008 HELP Lease/Vehicles & Equipment	968,000	108,461
Bonds payable:		
General obligation bonds:		
1994 Storm Sewer Bonds	310,000	156,933
1996 Redevelopment Bond	1,975,000	266,345
2004 Park District Bond	1,780,000	139,288
2004 Bonds for 77th Ave Bridge	1,380,000	207,275
2005 TIF District Redevelopment Bonds	<u>6,620,000</u>	<u>561,513</u>
Total governmental activities debt	<u>\$ 22,559,204</u>	<u>\$ 2,719,205</u>
Business-type activities:		
Water Utility:		
Revenue bonds:		
1995A Water Refunding Bonds	\$ 675,000	\$ 691,673
1999 Water District Improvement Bonds	<u>2,285,000</u>	<u>267,343</u>
Total Water Utility	<u>2,960,000</u>	<u>959,015</u>
Wastewater Utility:		
Notes and Loans Payable:		
State Revolving Loan	1,550,000	143,793
Notes, Series 2007	5,000,000	197,500
Revenue bonds:		
1995 Sewage Refunding Bonds	<u>630,000</u>	<u>645,561</u>
Total Wastewater Utility	<u>7,180,000</u>	<u>986,854</u>
Total business-type activities debt	<u>\$ 10,140,000</u>	<u>\$ 1,945,869</u>

TOWN OF SCHERERVILLE
AUDIT RESULTS AND COMMENTS

TOWN COURT RECONCILIATIONS

The Town Court reconciled bank balance did not agree to the Cash Book balance (ledger). The Bank balance exceeded the ledger balance by \$13,244 at December 31, 2008. Since converging with Lake County Court's computer system in July 2006, the Bank balance has not reconciled to the ledger.

The Town Court's Courtview detail of cash bonds balances did not reconcile to the Court's Cash Book balance of trust funds (cash bonds) at December 31, 2008. The Courtview detail of cash bonds balance at December 31, 2008, was \$384,695.68; however the balance for Trust (cash bonds) in the Court's Cash Book was \$348,342.07 for a difference of \$36,353.61.

Financial records of a city or town court shall be reconciled with the balance statements provided by the respective depository (or depositories) at least monthly. [IC 5-13-6-1(e)] (Accounting and Uniform Compliance Guidelines Manual for City and Town Courts, Chapter 4)

At all times, the manual and 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 City and Town Courts, Chapter 4)

The total unpaid items as shown by the trust fund register must agree with the balance in trust as shown by the Court Cash Book. (Accounting and Uniform Compliance Guidelines for City and Town Courts, Chapter 1)

SALES TAX

The Utility did not collect sales tax for hydrant rental from customers or remit sales tax to the Indiana Department of Revenue from 2006 through 2008. The Utility owes sales tax and interest as follows:

<u>Period</u>	<u>Sales Tax</u>	<u>Interest</u>	<u>Totals</u>
2006	\$ 17,126	\$ 2,976	\$ 20,102
2007	33,149	4,067	37,216
2008	37,595	1,990	39,585
	<u>\$ 87,870</u>	<u>\$ 9,033</u>	<u>\$ 96,903</u>

Collections by a city or town from the retail sale of tangible property, utility service, or commodities in the performance of private or proprietary activities are subject to sales tax.

TOWN OF SCHERERVILLE
AUDIT RESULTS AND COMMENTS
(Continued)

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee.

All questions concerning the law or procedure for paying and collecting sales tax should be directed to the Indiana Department of Revenue, Sales Tax Division. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

PETROLEUM CONTRACT

The Town purchased petroleum supplies from various vendors during 2008 on a month to month basis. Each month the purchasing agent solicited quotes from a number of vendors. The Town then purchased petroleum from the lowest quoter for that month. The Town historically does not enter into formal contracts for petroleum supplies.

A purchasing agent shall follow competitive bidding procedures in awarding a contract for supplies, unless another purchasing method is required or authorized by Indiana Code 5-22-17-1.

A purchasing agent may award a contract for petroleum products to the lowest responsible and responsive offeror or all responsible and responsive offerors. The contract may allow for the escalation or de-escalation of price. The purchasing agent must purchase the petroleum products from the lowest of the responsible and responsive bidders. The contract must provide that the bidder from whom petroleum products are being purchased shall provide five business days written notice of any change in price. Upon receipt of written notice, the purchasing agent shall request current price quotes in writing based upon terms and conditions of the original offer (as awarded) from all successful responsible and responsive offerors. The purchasing agent shall record the quotes in minutes or memoranda. The purchasing agent shall purchase the petroleum products from the lowest responsible and responsive offeror, taking into account the price change of the current supplier and the price quotes of the other responsible and responsive offerors. [IC 5-22-17-10] (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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
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Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE TOWN OF SCHERERVILLE, LAKE COUNTY, INDIANA

Compliance

We have audited the compliance of the Town of Schererville (Town) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2008. The Town's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Town's compliance with those requirements.

In our opinion, the Town complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

Internal Control Over Compliance

The management of the Town is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A control deficiency in a Town's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

This report is intended solely for the information and use of the Town's management, Town Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

September 21, 2009

TOWN OF SCHERERVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2008

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>EXECUTIVE OFFICE OF THE PRESIDENT - OFFICE OF NATIONAL DRUG CONTROL POLICY</u>			
Direct Grant			
High Intensity Drug Trafficking Area (HIDTA)	07.XXX	17PLCP502Z 18PLCP502Z	\$ 1,473,637 <u>1,502,674</u>
Total for federal grantor agency			<u>2,976,311</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	04-DB-106	<u>3,924</u>
<u>NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION</u>			
Pass-Through Indiana Criminal Justice Institute			
Highway Safety Cluster			
State and Community Highway Safety	20.600		
Operation Pullover - Big City/Big County		PT-08-04-01-36 PT-09-04-01-34	9,150 <u>7,600</u>
Total for program			<u>16,750</u>
Alcohol Impaired Driving Countermeasures Incentive Grant I	20.601		
Electronic Citation System Equipment Grant		PT-08-04-01-36	<u>18,880</u>
Total for federal grantor agency			<u>35,630</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)			
Disaster Related Expenses, Disaster #1795	97.036	089-68220-00	<u>62,929</u>
Total federal awards expended			<u>\$ 3,078,794</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

TOWN OF SCHERERVILLE
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Schererville (Town) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

TOWN OF SCHERERVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no
--	----

Identification of Major Program:

CFDA Number	Name of Federal Program or Cluster
07.XXX	High Intensity Drug Trafficking Area (HIDTA)

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?	no
--	----

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

TOWN OF SCHERERVILLE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

TOWN OF SCHERERVILLE
EXIT CONFERENCE

The contents of this report were discussed on September 30, 2009, with Janice M. Malinowski, Clerk-Treasurer; Robert Volkman, Town Manager; Perry Ferrini, President of the Town Council; and Carol Clark, Deputy Clerk-Treasurer. The official response has been made a part of this report and may be found on page 53.



Judge Kenneth L. Anderson

Schererville Town Court

(219) 865-5579
Facsimile (219) 865-5525

25 East Joliet Street
Schererville, Indiana 46375

October 7, 2009

State Board of Accounts
302 W Washington Street
Room E 418
Indianapolis, IN 46204-2765

To whom it may concern;

In response to the findings presented by the State Board of Accounts the following discrepancies for the Schererville Town Court have been addressed:

1. Regarding the \$13,244.00 difference in the bank balance and the ledger balance, the entire amount has been found. The \$13,244.00 is the actual total amount of receipts taken for the year 2008 in the old Key Court system that were not transferred into the new Court View system.
2. Regarding the \$36,353.61 difference from the Court View Cash Bond balance and the courts Cash Bond balance, \$15,260.00 was found in checks issued for bond money that was transferred with 18 cases to Lake County, but the bond money was not accounted for in the Court View system. Another \$15,117.68 was found in bond money where checks were issued that were distributed in 20 cases to either the defendant or their attorney but not accounted for in Court View. Another \$1,616.50 of bond money in 11 cases was used to pay fines and fees due in other cases that these defendants had pending. Also another \$825.00 was also bond money paid out as restitution but not accounted for in the Court View system. These bond differences total to \$ 32,819.18 leaving a remainder of \$3,534.43 still left to be found.

All of the above listed discrepancies can be attributed to the ongoing learning curve that goes along with the transfer of our computer system from Key Court to Court View.

Sincerely,

Leone Erwin, bookkeeper

Kenneth L. Anderson, Judge